

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 774**  
**97TH GENERAL ASSEMBLY**

5385H.08C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 99.805, 99.820, 99.825, and 99.845, RSMo, and to enact in lieu thereof four 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Section A. Sections 99.805, 99.820, 99.825, and 99.845, RSMo, are repealed and four  
2 new sections enacted in lieu thereof, to be known as sections 99.805, 99.820, 99.825, and 99.845,  
3 to read as follows:

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

- 3 (1) "Blighted area", an area which, by reason of the predominance of defective or  
4 inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements,  
5 improper subdivision or obsolete platting, or the existence of conditions which endanger life or  
6 property by fire and other causes, or any combination of such factors, retards the provision of  
7 housing accommodations or constitutes an economic or social liability or a menace to the public  
8 health, safety, morals, or welfare in its present condition and use;
- 9 (2) "Collecting officer", the officer of the municipality responsible for receiving and  
10 processing payments in lieu of taxes or economic activity taxes from taxpayers or the department  
11 of revenue;
- 12 (3) "Conservation area", any improved area within the boundaries of a redevelopment  
13 area located within the territorial limits of a municipality in which fifty percent or more of the  
14 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted

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.

15 area but is detrimental to the public health, safety, morals, or welfare and may become a blighted  
16 area because of any one or more of the following factors: dilapidation; obsolescence;  
17 deterioration; illegal use of individual structures; presence of structures below minimum code  
18 standards; abandonment; excessive vacancies; overcrowding of structures and community  
19 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land  
20 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of  
21 community planning. A conservation area shall meet at least three of the factors provided in this  
22 subdivision for projects approved on or after December 23, 1997;

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

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

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

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

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

47 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800  
48 and any related business facility including any real property improvements which are directly and  
49 solely related to such business facility, whose sole purpose is to provide goods or services to an  
50 excursion gambling boat and whose majority ownership interest is held by a person licensed to

51 conduct gambling games on an excursion gambling boat or licensed to operate an excursion  
52 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable  
53 only to a redevelopment area designated by ordinance adopted after December 23, 1997;

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

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

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

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

69 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area  
70 selected for a redevelopment project, which revenues according to the redevelopment project or  
71 plan are to be used for a private use, which taxing districts would have received had a  
72 municipality not adopted tax increment allocation financing, and which would result from levies  
73 made after the time of the adoption of tax increment allocation financing during the time the  
74 current equalized value of real property in the area selected for the redevelopment project  
75 exceeds the total initial equalized value of real property in such area until the designation is  
76 terminated pursuant to subsection 2 of section 99.850;

77 (12) "Redevelopment area", an area designated by a municipality, in respect to which the  
78 municipality has made a finding that there exist conditions which cause the area to be classified  
79 as a blighted area, a conservation area, an economic development area, an enterprise zone  
80 pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only  
81 those parcels of real property directly and substantially benefitted by the proposed redevelopment  
82 project;

83 (13) "Redevelopment plan", the comprehensive program of a municipality for  
84 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those  
85 conditions, the existence of which qualified the redevelopment area as a blighted area,  
86 conservation area, economic development area, or combination thereof, and to thereby enhance

87 the tax bases of the taxing districts which extend into the redevelopment area. Each  
88 redevelopment plan shall conform to the requirements of section 99.810;

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

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

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

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

101 (c) Property assembly costs, including, but not limited to[,]

102 a. Acquisition of land and other property, real or personal, or rights or interests therein[.]

103 ; and

104 b. Demolition of buildings, and the clearing and grading of land;

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

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

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

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

114 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment  
115 project necessarily incurred or to be incurred in furtherance of the objectives of the  
116 redevelopment plan and project, to the extent the municipality by written agreement accepts and  
117 approves such costs;

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

120 (j) Payments in lieu of taxes;

121 (16) "Special allocation fund", the fund of a municipality or its commission which  
122 contains at least two separate segregated accounts for each redevelopment plan, maintained by

123 the treasurer of the municipality or the treasurer of the commission into which payments in lieu  
124 of taxes are deposited in one account, and economic activity taxes and other revenues are  
125 deposited in the other account;

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

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

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

99.820. 1. A municipality may:

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

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

13 (3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire  
14 by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own,  
15 convey, lease, mortgage, or dispose of land and other property, real or personal, or rights or  
16 interests therein, and grant or acquire licenses, easements and options with respect thereto, all  
17 in the manner and at such price the municipality or the commission determines is reasonably  
18 necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage,  
19 disposition of land or other property, acquired by the municipality, or agreement relating to the  
20 development of the property shall be made except upon the adoption of an ordinance by the  
21 governing body of the municipality. Each municipality or its commission shall establish written  
22 procedures relating to bids and proposals for implementation of the redevelopment projects.  
23 Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating  
24 to the development of property shall be made without making public disclosure of the terms of  
25 the disposition and all bids and proposals made in response to the municipality's request. Such

26 procedures for obtaining such bids and proposals shall provide reasonable opportunity for any  
27 person to submit alternative proposals or bids;

28 (4) Within a redevelopment area, clear any area by demolition or removal of existing  
29 buildings and structures;

30 (5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or  
31 building;

32 (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site  
33 improvements essential to the preparation of the redevelopment area for use in accordance with  
34 a redevelopment plan;

35 (7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges  
36 for the use of any building or property owned or leased by it or any part thereof, or facility  
37 therein;

38 (8) Accept grants, guarantees, and donations of property, labor, or other things of value  
39 from a public or private source for use within a redevelopment area;

40 (9) Acquire and construct public facilities within a redevelopment area;

41 (10) Incur redevelopment costs and issue obligations;

42 (11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

43 (12) Disburse surplus funds from the special allocation fund to taxing districts as  
44 follows:

45 (a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within  
46 the redevelopment area which impose ad valorem taxes on a basis that is proportional to the  
47 current collections of revenue which each taxing district receives from real property in the  
48 redevelopment area;

49 (b) Surplus economic activity taxes shall be distributed to taxing districts in the  
50 redevelopment area which impose economic activity taxes, on a basis that is proportional to the  
51 amount of such economic activity taxes the taxing district would have received from the  
52 redevelopment area had tax increment financing not been adopted;

53 (c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes,  
54 deposited in the special allocation fund, shall be distributed on a basis that is proportional to the  
55 total receipt of such other revenues in such account in the year prior to disbursement;

56 (13) If any member of the governing body of the municipality, a member of a  
57 commission established pursuant to subsection 2 or 3 of this section, or an employee or  
58 consultant of the municipality, involved in the planning and preparation of a redevelopment plan,  
59 or redevelopment project for a redevelopment area or proposed redevelopment area, owns or  
60 controls an interest, direct or indirect, in any property included in any redevelopment area, or  
61 proposed redevelopment area, which property is designated to be acquired or improved pursuant

62 to a redevelopment project, he or she shall disclose the same in writing to the clerk of the  
63 municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any  
64 such interest, which disclosures shall be acknowledged by the governing body of the  
65 municipality and entered upon the minutes books of the governing body of the municipality. If  
66 an individual holds such an interest, then that individual shall refrain from any further official  
67 involvement in regard to such redevelopment plan, redevelopment project or redevelopment area,  
68 from voting on any matter pertaining to such redevelopment plan, redevelopment project or  
69 redevelopment area, or communicating with other members concerning any matter pertaining  
70 to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such  
71 member or employee shall acquire any interest, direct or indirect, in any property in a  
72 redevelopment area or proposed redevelopment area after either (a) such individual obtains  
73 knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant  
74 to section 99.830, whichever first occurs;

75 (14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other  
76 official in administering the redevelopment project. The charge for the clerk's or other official's  
77 costs shall be determined by the municipality based on a recommendation from the commission,  
78 created pursuant to this section.

79 2. Prior to adoption of an ordinance approving the designation of a redevelopment area  
80 or approving a redevelopment plan or redevelopment project, the municipality shall create a  
81 commission of nine persons if the municipality is a county or a city not within a county and not  
82 a first class county with a charter form of government with a population in excess of nine  
83 hundred thousand, and eleven persons if the municipality is not a county and not in a first class  
84 county with a charter form of government having a population of more than nine hundred  
85 thousand, and twelve persons if the municipality is located in or is a first class county with a  
86 charter form of government having a population of more than nine hundred thousand, to be  
87 appointed as follows:

88 (1) In all municipalities two members shall be appointed by the school boards whose  
89 districts are included within the redevelopment plan or redevelopment area. Such members shall  
90 be appointed in any manner agreed upon by the affected districts;

91 (2) In all municipalities one member shall be appointed, in any manner agreed upon by  
92 the affected districts, to represent all other districts levying ad valorem taxes within the area  
93 selected for a redevelopment project or the redevelopment area, excluding representatives of the  
94 governing body of the municipality;

95 (3) In all municipalities six members shall be appointed by the chief elected officer of  
96 the municipality, with the consent of the majority of the governing body of the municipality;

97 (4) In all municipalities which are not counties and not in a first class county with a  
98 charter form of government having a population in excess of nine hundred thousand, two  
99 members shall be appointed by the county of such municipality in the same manner as members  
100 are appointed in subdivision (3) of this subsection;

101 (5) In a municipality which is a county with a charter form of government having a  
102 population in excess of nine hundred thousand, three members shall be appointed by the cities  
103 in the county which have tax increment financing districts in a manner in which the cities shall  
104 agree;

105 (6) In a municipality which is located in the first class county with a charter form of  
106 government having a population in excess of nine hundred thousand, three members shall be  
107 appointed by the county of such municipality in the same manner as members are appointed in  
108 subdivision (3) of this subsection;

109 (7) At the option of the members appointed by the municipality, the members who are  
110 appointed by the school boards and other taxing districts may serve on the commission for a term  
111 to coincide with the length of time a redevelopment project, redevelopment plan or designation  
112 of a redevelopment area is considered for approval by the commission, or for a definite term  
113 pursuant to this subdivision. If the members representing school districts and other taxing  
114 districts are appointed for a term coinciding with the length of time a redevelopment project, plan  
115 or area is approved, such term shall terminate upon final approval of the project, plan or  
116 designation of the area by the governing body of the municipality. Thereafter the commission  
117 shall consist of the six members appointed by the municipality, except that members representing  
118 school boards and other taxing districts shall be appointed as provided in this section prior to any  
119 amendments to any redevelopment plans, redevelopment projects or designation of a  
120 redevelopment area. If any school district or other taxing jurisdiction fails to appoint members  
121 of the commission within thirty days of receipt of written notice of a proposed redevelopment  
122 plan, redevelopment project or designation of a redevelopment area, the remaining members may  
123 proceed to exercise the power of the commission. Of the members first appointed by the  
124 municipality, two shall be designated to serve for terms of two years, two shall be designated to  
125 serve for a term of three years and two shall be designated to serve for a term of four years from  
126 the date of such initial appointments. Thereafter, the members appointed by the municipality  
127 shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms  
128 in the same manner as were the original appointments. Members appointed by the county  
129 executive or presiding commissioner prior to August 28, 2008, shall continue their service on  
130 the commission established in subsection 3 of this section without further appointment unless  
131 the county executive or presiding commissioner appoints a new member or members.

132 3. Beginning August 28, 2008:



133 (1) In lieu of a commission created under subsection 2 of this section, any city, town, or  
134 village in a county with a charter form of government and with more than one million  
135 inhabitants, in a county with a charter form of government and with more than two hundred fifty  
136 thousand but fewer than three hundred fifty thousand inhabitants, or in a county of the first  
137 classification with more than one hundred eighty-five thousand but fewer than two hundred  
138 thousand inhabitants shall, prior to adoption of an ordinance approving the designation of a  
139 redevelopment area or approving a redevelopment plan or redevelopment project, create a  
140 commission consisting of twelve persons to be appointed as follows:

141 (a) Six members appointed either by the county executive or presiding commissioner;  
142 notwithstanding any provision of law to the contrary, no approval by the county's governing body  
143 shall be required;

144 (b) Three members appointed by the cities, towns, or villages in the county which have  
145 tax increment financing districts in a manner in which the chief elected officials of such cities,  
146 towns, or villages agree;

147 (c) Two members appointed by the school boards whose districts are included in the  
148 county in a manner in which the school boards agree; and

149 (d) One member to represent all other districts levying ad valorem taxes in the proposed  
150 redevelopment area in a manner in which all such districts agree.

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

156 (2) Members appointed to the commission created under this subsection, except those  
157 six members appointed by either the county executive or presiding commissioner, shall serve on  
158 the commission for a term to coincide with the length of time a redevelopment project,  
159 redevelopment plan, or designation of a redevelopment area is considered for approval by the  
160 commission. The six members appointed by either the county executive or the presiding  
161 commissioner shall serve on all such commissions until replaced. The city, town, or village that  
162 creates a commission under this subsection shall send notice thereof by certified mail to the  
163 county executive or presiding commissioner, to the school districts whose boundaries include  
164 any portion of the proposed redevelopment area, and to the other taxing districts whose  
165 boundaries include any portion of the proposed redevelopment area. The city, town, or village  
166 that creates the commission shall also be solely responsible for notifying all other cities, towns,  
167 and villages in the county that have tax increment financing districts and shall exercise all  
168 administrative functions of the commission. The school districts receiving notice from the city,

169 town, or village shall be solely responsible for notifying the other school districts within the  
170 county of the formation of the commission. If the county, school board, or other taxing district  
171 fails to appoint members to the commission within thirty days after the city, town, or village  
172 sends the written notice, as provided herein, that it has convened such a commission or within  
173 thirty days of the expiration of any such member's term, the remaining duly appointed members  
174 of the commission may exercise the full powers of the commission.

175 4. (1) Any commission created under this section, subject to approval of the governing  
176 body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865,  
177 except final approval of plans, projects and designation of redevelopment areas. The  
178 commission shall hold public hearings and provide notice pursuant to sections 99.825 and  
179 99.830.

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

189 (3) Any commission created under subsection 3 of this section shall, within fifteen days  
190 of the receipt of a redevelopment plan meeting the minimum requirements of section 99.810, as  
191 determined by counsel to the city, town, or village creating the commission and a request by the  
192 applicable city, town, or village for a public hearing, fix a time and place for the public hearing  
193 referred to in section 99.825. The public hearing shall be held no later than seventy-five days  
194 from the commission's receipt of such redevelopment plan and request for public hearing. The  
195 commission shall vote and make recommendations to the governing body of the city, town, or  
196 village requesting the public hearing on all proposed redevelopment plans, redevelopment  
197 projects, and designations of redevelopment areas, and amendments thereto within thirty days  
198 following the completion of the public hearing. **A recommendation of approval shall only be**  
199 **deemed to occur if a majority of the commissioners voting on such plan, project,**  
200 **designation, or amendment thereto vote for approval. A tied vote shall be considered a**  
201 **recommendation in opposition.** If the commission fails to vote within thirty days following  
202 the completion of the public hearing referred to in section 99.825 concerning the proposed  
203 redevelopment plan, redevelopment project, or designation of redevelopment area, or

204 amendments thereto, such plan, project, designation, or amendment thereto shall be deemed  
205 rejected by the commission.

99.825. 1. Prior to the adoption of an ordinance proposing the designation of a  
2 redevelopment area, or approving a redevelopment plan or redevelopment project, the  
3 commission shall fix a time and place for a public hearing as required in subsection 4 of section  
4 99.820 and notify each taxing district located wholly or partially within the boundaries of the  
5 proposed redevelopment area, plan or project. At the public hearing any interested person or  
6 affected taxing district may file with the commission written objections to, or comments on, and  
7 may be heard orally in respect to, any issues embodied in the notice. The commission shall hear  
8 and consider all protests, objections, comments and other evidence presented at the hearing. The  
9 hearing may be continued to another date without further notice other than a motion to be entered  
10 upon the minutes fixing the time and place of the subsequent hearing; provided, if the  
11 commission is created under subsection 3 of section 99.820, the hearing shall not be continued  
12 for more than thirty days beyond the date on which it is originally opened unless such longer  
13 period is requested by the chief elected official of the municipality creating the commission and  
14 approved by a majority of the commission. Prior to the conclusion of the hearing, changes may  
15 be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that  
16 each affected taxing district is given written notice of such changes at least seven days prior to  
17 the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance  
18 approving a redevelopment plan or redevelopment project, or designating a redevelopment area,  
19 changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas  
20 without a further hearing, if such changes do not enlarge the exterior boundaries of the  
21 redevelopment area or areas, and do not substantially affect the general land uses established in  
22 the redevelopment plan or substantially change the nature of the redevelopment projects,  
23 provided that notice of such changes shall be given by mail to each affected taxing district and  
24 by publication in a newspaper of general circulation in the area of the proposed redevelopment  
25 not less than ten days prior to the adoption of the changes by ordinance. After the adoption of  
26 an ordinance approving a redevelopment plan or redevelopment project, or designating a  
27 redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the  
28 general land uses established pursuant to the redevelopment plan or changing the nature of the  
29 redevelopment project without complying with the procedures provided in this section pertaining  
30 to the initial approval of a redevelopment plan or redevelopment project and designation of a  
31 redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or  
32 redevelopment plan may be held simultaneously.

33 2. [Effective January 1, 2008,] If, after concluding the hearing required under this  
34 section, the commission makes a recommendation under section 99.820 in opposition to a

35 proposed redevelopment plan, redevelopment project, or designation of a redevelopment area,  
36 or any amendments thereto, a municipality desiring to approve such project, plan, designation,  
37 or amendments shall do so only upon a two-thirds majority vote of the governing body of such  
38 municipality. **For plans, projects, designations, or amendments approved by a municipality**  
39 **over the recommendation in opposition by the commission formed under subsection 3 of**  
40 **section 99.820 or a commission located in any county of the first classification with more**  
41 **than one hundred fifty thousand but fewer than two hundred thousand inhabitants, the**  
42 **economic activity taxes and payments in lieu of taxes generated by such plan, project,**  
43 **designation, or amendment shall not exceed the costs associated with those contained in**  
44 **subparagraph b of paragraph (c) of subdivision (15) of section 99.805 per redevelopment**  
45 **project.**

46 3. Tax incremental financing projects within an economic development area shall apply  
47 to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers,  
48 traffic control systems and devices, water distribution and supply systems, curbing, sidewalks  
49 and any other similar public improvements, but in no case shall it include buildings.

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

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

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized  
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected  
21 for the redevelopment project and any applicable penalty and interest over and above the initial

22 equalized assessed value of each such unit of property in the area selected for the redevelopment  
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who  
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation  
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred  
26 in the payment thereof. **If a political subdivision increases its rate of tax on property after  
27 the adoption of a redevelopment project, any additional revenues due to the levy increase  
28 shall not be considered payments in lieu of taxes subject to deposit into a special allocation  
29 fund.** Payments in lieu of taxes which are due and owing shall constitute a lien against the real  
30 estate of the redevelopment project from which they are derived and shall be collected in the  
31 same manner as the real property tax, including the assessment of penalties and interest where  
32 applicable. The municipality may, in the ordinance, pledge the funds in the special allocation  
33 fund for the payment of such costs and obligations and provide for the collection of payments  
34 in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment  
35 lien as provided in section 88.861. No part of the current equalized assessed valuation of each  
36 lot, block, tract, or parcel of property in the area selected for the redevelopment project  
37 attributable to any increase above the total initial equalized assessed value of such properties  
38 shall be used in calculating the general state school aid formula provided for in section 163.031  
39 until such time as all redevelopment costs have been paid as provided for in this section and  
40 section 99.850;

41 (b) Notwithstanding any provisions of this section to the contrary, for purposes of  
42 determining the limitation on indebtedness of local government pursuant to Article VI, Section  
43 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area  
44 selected for redevelopment attributable to the increase above the total initial equalized assessed  
45 valuation shall be included in the value of taxable tangible property as shown on the last  
46 completed assessment for state or county purposes;

47 (c) The county assessor shall include the current assessed value of all property within  
48 the taxing district in the aggregate valuation of assessed property entered upon the assessor's  
49 book and verified pursuant to section 137.245, and such value shall be utilized for the purpose  
50 of the debt limitation on local government pursuant to Article VI, Section 26(b) of the Missouri  
51 Constitution;

52 (3) For purposes of this section, "levies upon taxable real property in such redevelopment  
53 project by taxing districts" shall not include the blind pension fund tax levied under the authority  
54 of Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'  
55 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X  
56 of the Missouri Constitution, except in redevelopment project areas in which tax increment

57 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing  
58 body of the municipality taken after August 13, 1982, and before January 1, 1998.

59         2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection  
60 1 of this section, for redevelopment plans and projects adopted or redevelopment projects  
61 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total  
62 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing  
63 districts, which are generated by economic activities within the area of the redevelopment project  
64 over the amount of such taxes generated by economic activities within the area of the  
65 redevelopment project in the calendar year prior to the adoption of the redevelopment project by  
66 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales  
67 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant  
68 to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and  
69 any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section  
70 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local  
71 political subdivision collecting officer to the treasurer or other designated financial officer of the  
72 municipality, who shall deposit such funds in a separate segregated account within the special  
73 allocation fund. Any provision of an agreement, contract or covenant entered into prior to July  
74 12, 1990, between a municipality and any other political subdivision which provides for an  
75 appropriation of other municipal revenues to the special allocation fund shall be and remain  
76 enforceable.

77         3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection  
78 1 of this section, for redevelopment plans and projects adopted or redevelopment projects  
79 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from  
80 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and  
81 which are generated by economic activities within the area of the redevelopment project over the  
82 amount of such taxes generated by economic activities within the area of the redevelopment  
83 project in the calendar year prior to the adoption of the redevelopment project by ordinance,  
84 while tax increment financing remains in effect, but excluding personal property taxes, taxes  
85 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,  
86 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation  
87 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712  
88 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,  
89 fees or special assessments other than payments in lieu of taxes and penalties and interest  
90 thereon, any sales tax imposed by a county with a charter form of government and with more  
91 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose  
92 of sports stadium improvement or levied by such county under section 238.410 for the purpose

93 of the county transit authority operating transportation facilities, or for redevelopment plans and  
94 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes  
95 imposed on sales under and pursuant to section **67.700 or 650.399** for the purpose of emergency  
96 communication systems, shall be allocated to, and paid by the local political subdivision  
97 collecting officer to the treasurer or other designated financial officer of the municipality, who  
98 shall deposit such funds in a separate segregated account within the special allocation fund. **If**  
99 **a political subdivision increases its sales tax or compensating use tax rate after the adoption**  
100 **of a redevelopment project, any additional revenues due to the rate increase shall not be**  
101 **considered economic activity taxes subject to deposit into a special allocation fund.**

102 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or  
103 redevelopment projects approved by ordinance and which have complied with subsections 4 to  
104 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes  
105 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,  
106 as defined in subsection 8 of this section, estimated for the businesses within the project area and  
107 identified by the municipality in the application required by subsection 10 of this section, over  
108 and above the amount of such taxes reported by businesses within the project area as identified  
109 by the municipality in their application prior to the approval of the redevelopment project by  
110 ordinance, while tax increment financing remains in effect, may be available for appropriation  
111 by the general assembly as provided in subsection 10 of this section to the department of  
112 economic development supplemental tax increment financing fund, from the general revenue  
113 fund, for distribution to the treasurer or other designated financial officer of the municipality  
114 with approved plans or projects.

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

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

129           7. In order for the redevelopment plan or project to be eligible to receive the revenue  
130 described in subsection 4 of this section, the municipality shall comply with the requirements of  
131 subsection 10 of this section prior to the time the project or plan is adopted or approved by  
132 ordinance. The director of the department of economic development and the commissioner of  
133 the office of administration may waive the requirement that the municipality's application be  
134 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or  
135 project's approval by ordinance.

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

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

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

154           9. Subsection 4 of this section shall apply only to blighted areas located in enterprise  
155 zones, pursuant to sections 135.200 to 135.256, blighted areas located in federal empowerment  
156 zones, or to blighted areas located in central business districts or urban core areas of cities which  
157 districts or urban core areas at the time of approval of the project by ordinance, provided that the  
158 enterprise zones, federal empowerment zones or blighted areas contained one or more buildings  
159 at least fifty years old; and

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

162           (2) Was a historic hotel located in a county of the first classification without a charter  
163 form of government with a population according to the most recent federal decennial census in



164 excess of one hundred fifty thousand and containing a portion of a city with a population  
165 according to the most recent federal decennial census in excess of three hundred fifty thousand.

166 10. The initial appropriation of up to fifty percent of the new state revenues authorized  
167 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the  
168 department of economic development to a municipality until all of the following conditions have  
169 been satisfied:

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

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

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

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

183 (d) The official statement of any bond issue pursuant to this subsection after December  
184 23, 1997;

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

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

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

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

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

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

199 (k) The estimated development project costs;

- 200 (l) The anticipated sources of funds to pay such development project costs;
- 201 (m) Evidence of the commitments to finance such development project costs;
- 202 (n) The anticipated type and term of the sources of funds to pay such development  
203 project costs;
- 204 (o) The anticipated type and terms of the obligations to be issued;
- 205 (p) The most recent equalized assessed valuation of the property within the development  
206 project area;
- 207 (q) An estimate as to the equalized assessed valuation after the development project area  
208 is developed in accordance with a development plan;
- 209 (r) The general land uses to apply in the development area;
- 210 (s) The total number of individuals employed in the development area, broken down by  
211 full-time, part-time, and temporary positions;
- 212 (t) The total number of full-time equivalent positions in the development area;
- 213 (u) The current gross wages, state income tax withholdings, and federal income tax  
214 withholdings for individuals employed in the development area;
- 215 (v) The total number of individuals employed in this state by the corporate parent of any  
216 business benefitting from public expenditures in the development area, and all subsidiaries  
217 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,  
218 and temporary positions;
- 219 (w) The number of new jobs to be created by any business benefitting from public  
220 expenditures in the development area, broken down by full-time, part-time, and temporary  
221 positions;
- 222 (x) The average hourly wage to be paid to all current and new employees at the project  
223 site, broken down by full-time, part-time, and temporary positions;
- 224 (y) For project sites located in a metropolitan statistical area, as defined by the federal  
225 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees  
226 in this state for the industries involved at the project, as established by the United States Bureau  
227 of Labor Statistics;
- 228 (z) For project sites located outside of metropolitan statistical areas, the average weekly  
229 wage paid to nonmanagerial employees in the county for industries involved at the project, as  
230 established by the United States Department of Commerce;
- 231 (aa) A list of other community and economic benefits to result from the project;
- 232 (bb) A list of all development subsidies that any business benefitting from public  
233 expenditures in the development area has previously received for the project, and the name of  
234 any other granting body from which such subsidies are sought;

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

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

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

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

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

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

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

258 (3) The appropriation shall be either a portion of the estimate of the incremental increase  
259 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion  
260 of the estimate of the state income tax withheld by the employer on behalf of new employees  
261 who fill new jobs created in the redevelopment area as indicated in the municipality's application,  
262 approved by the director of the department of economic development or his or her designee and  
263 the commissioner of the office of administration or his or her designee. At no time shall the  
264 annual amount of the new state revenues approved for disbursements from the Missouri  
265 supplemental tax increment financing fund exceed thirty-two million dollars;

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

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

277 12. There is hereby established within the state treasury a special fund to be known as  
278 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the  
279 department of economic development. The department shall annually distribute from the  
280 Missouri supplemental tax increment financing fund the amount of the new state revenues as  
281 appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the  
282 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,  
283 contributions, grants or bequests received from federal, private or other sources. Moneys in the  
284 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to  
285 state appropriations.

286 13. Redevelopment project costs may include, at the prerogative of the state, the portion  
287 of salaries and expenses of the department of economic development and the department of  
288 revenue reasonably allocable to each redevelopment project approved for disbursements from  
289 the Missouri supplemental tax increment financing fund for the ongoing administrative functions  
290 associated with such redevelopment project. Such amounts shall be recovered from new state  
291 revenues deposited into the Missouri supplemental tax increment financing fund created under  
292 this section.

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

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