

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 832
93RD GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, February 9, 2006, with recommendation that the Senate Committee Substitute do pass.

4307S.06C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 99.470, 99.805, 99.810, 99.820, 99.825, 99.845, 99.847, and 99.865, RSMo, and to enact in lieu thereof ten new sections relating to tax increment financing, with penalty provisions.

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

Section A. Sections 99.805, 99.810, 99.820, 99.825, 99.845, 99.847, 99.865, 2 and 99.470, RSMo, are repealed and ten new sections enacted in lieu thereof, to 3 be known as sections 99.470, 99.805, 99.810, 99.820, 99.825, 99.827, 99.841, 4 99.845, 99.847, and 99.865, to read as follows:

99.470. [Upon a determination, by resolution or ordinance, of the 2 governing body of the community in which such land is located that the 3 acquisition and development of undeveloped vacant land, not within a blighted, 4 or insanitary area, is essential to the proper clearance or redevelopment of 5 blighted, or insanitary areas, or a necessary part of the general land clearance 6 program of the community, the acquisition, planning, preparation for development 7 or disposal of such land shall constitute a land clearance project which may be 8 undertaken by the authority in the manner provided in the foregoing 9 sections. The determination by the governing body shall be in lieu of the 10 declaration required by subdivision (2) of section 99.430 but shall not be made 11 until the governing body finds that there is a shortage of decent, safe and 12 sanitary housing in the community; that such undeveloped vacant land will be 13 developed for predominantly residential uses; and that the provision of dwelling 14 accommodations on such undeveloped vacant land is necessary to accomplish the 15 relocation, in decent, safe and sanitary housing in the community, of families to

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 be displaced from blighted, or insanitary areas which are to be redeveloped;
17 provided, however, that in the undertaking of land clearance projects on a
18 regional or unified metropolitan basis, involving the acquisition and development
19 of undeveloped vacant land in one community as an adjunct to the redevelopment
20 of blighted, or insanitary areas, in another community, each determination or
21 finding required in this section shall be made by the governing body of the
22 community with respect to which the determination or finding relates.] **1. No**
23 **new tax increment finance project shall be authorized for the**
24 **development of previously undeveloped vacant land if such project**
25 **would result in predominantly residential development. Provided**
26 **however, a tax increment financing project including a residential**
27 **component shall be allowed in a central business district as defined in**
28 **section 99.918.**

29 **2. Subject to the provisions of subsection 1 of this section, a tax**
30 **increment finance project may contain nonrevenue producing**
31 **residential development, however, the taxes attributable to the increase**
32 **in the equalized access value of such lots, blocks, tracts, or parcels of**
33 **real property shall not be deposited in the increment allocation fund,**
34 **but shall be paid by the county collector to the respective affected taxing**
35 **districts in the manner required by law in the absence of the adoption**
36 **of tax increment allocation financing.**

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

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

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

13 [(3)] (2) "Conservation area", any improved area within the boundaries
14 of a redevelopment area located within the territorial limits of a municipality in
15 which fifty percent or more of the structures in the area have an age of thirty-five
16 years or more. Such an area is not yet a [blighted] **distressed** area but is

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

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

35 **(4) "Economic activity taxes", the total additional revenue from taxes**
36 **which are imposed by a municipality and other taxing districts, and which are**
37 **generated by economic activities within a redevelopment area over the amount of**
38 **such taxes generated by economic activities within such redevelopment area in**
39 **the calendar year prior to the adoption of the ordinance designating such a**
40 **redemption area, while tax increment financing remains in effect, but**
41 **excluding personal property taxes, taxes imposed on sales or charges for sleeping**
42 **rooms paid by transient guests of hotels and motels, licenses, fees or special**
43 **assessments, and effective August 28, 2006, any voter-approved tax**
44 **increase or levy approved subsequent to the adoption of the ordinance**
45 **approving the redevelopment project that is not levied for the specific**
46 **purpose of funding or retiring the debt of the redevelopment project or**
47 **plan.** For redevelopment projects or redevelopment plans approved after
48 December 23, 1997, if a retail establishment relocates within one year from one
49 facility to another facility within the same county and the governing body of the
50 municipality finds that the relocation is a direct beneficiary of tax increment
51 financing, then for purposes of this definition, the economic activity taxes
52 generated by the retail establishment shall equal the total additional revenues
53 from economic activity taxes which are imposed by a municipality or other taxing

54 district over the amount of economic activity taxes generated by the retail
55 establishment in the calendar year prior to its relocation to the redevelopment
56 area;

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

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

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

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

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

77 (7) **"Greenfield area", any vacant, unimproved, or agricultural**
78 **property that is located wholly outside the incorporated limits of a city,**
79 **town, or village, or that is substantially surrounded by contiguous**
80 **properties with agricultural zoning classifications or uses unless said**
81 **property was annexed into the incorporated limits of a city, town, or**
82 **village prior to 1996;**

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

87 [(8)] (9) "Obligations", bonds, loans, debentures, notes, special
88 certificates, or other evidences of indebtedness issued by a municipality to carry
89 out a redevelopment project or to refund outstanding obligations;

90 [(9)] (10) "Ordinance", an ordinance enacted by the governing body of a

91 city, town, or village or a county or an order of the governing body of a county
92 whose governing body is not authorized to enact ordinances;

93 [(10)] (11) "Payment in lieu of taxes", those estimated revenues from real
94 property in the area selected for a redevelopment project, which revenues
95 according to the redevelopment project or plan are to be used for a private use,
96 which taxing districts would have received had a municipality not adopted tax
97 increment allocation financing, and which would result from levies made after the
98 time of the adoption of tax increment allocation financing during the time the
99 current equalized value of real property in the area selected for the
100 redevelopment project exceeds the total initial equalized value of real property in
101 such area until the designation is terminated pursuant to subsection 2 of section
102 99.850;

103 [(11)] (12) "Redevelopment area", an area designated by a municipality,
104 in respect to which the municipality has made a finding that there exist
105 conditions which cause the area to be classified as a [blighted] **distressed** area,
106 a conservation area, an economic development area, an enterprise zone pursuant
107 to sections 135.200 to 135.256, RSMo, or a combination thereof, which area
108 includes only those parcels of real property directly and substantially benefited
109 by the proposed redevelopment project;

110 [(12)] (13) "Redevelopment plan", the comprehensive program of a
111 municipality for redevelopment intended by the payment of redevelopment costs
112 to reduce or eliminate those conditions, the existence of which qualified the
113 redevelopment area as a [blighted] **distressed** area, conservation area, economic
114 development area, or combination thereof, and to thereby enhance the tax bases
115 of the taxing districts which extend into the redevelopment area. Each
116 redevelopment plan shall conform to the requirements of section 99.810;

117 [(13)] (14) "Redevelopment project", any development project within a
118 redevelopment area in furtherance of the objectives of the redevelopment plan;
119 any such redevelopment project shall include a legal description of the area
120 selected for the redevelopment project;

121 [(14)] (15) "Redevelopment project costs" include the sum total of all
122 reasonable or necessary costs incurred or estimated to be incurred, and any such
123 costs incidental to a redevelopment plan or redevelopment project, as
124 applicable. Such costs include, but are not limited to, the following:

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

126 (b) Professional service costs, including, but not limited to, architectural,
127 engineering, legal, marketing, financial, planning or special services. Except the

128 reasonable costs incurred by the commission established in section 99.820 for the
129 administration of sections 99.800 to 99.865, such costs shall be allowed only as
130 an initial expense which, to be recoverable, shall be included in the costs of a
131 redevelopment plan or project;

132 (c) Property assembly costs, including, but not limited to, acquisition of
133 land and other property, real or personal, or rights or interests therein,
134 demolition of buildings, and the clearing and grading of land;

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

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

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

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

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

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

151 (j) Payments in lieu of taxes;

152 [(15)] (16) "Special allocation fund", the fund of a municipality or its
153 commission which contains at least two separate segregated accounts for each
154 redevelopment plan, maintained by the treasurer of the municipality or the
155 treasurer of the commission into which payments in lieu of taxes are deposited
156 in one account, and economic activity taxes and other revenues are deposited in
157 the other account;

158 [(16)] (17) "Taxing districts", any political subdivision of this state having
159 the power to levy taxes;

160 [(17)] (18) "Taxing districts' capital costs", those costs of taxing districts
161 for capital improvements that are found by the municipal governing bodies to be
162 necessary and to directly result from the redevelopment project; and

163 [(18)] (19) "Vacant land", any parcel or combination of parcels of real
164 property not used for industrial, commercial, or residential buildings.

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

14 (1) The redevelopment area on the whole is a [blighted] **distressed** area,
15 a conservation area, or an economic development area, and has not been subject
16 to growth and development through investment by private enterprise and would
17 not reasonably be anticipated to be developed without the adoption of tax
18 increment financing. Such a finding shall include, but not be limited to, a
19 detailed description of the factors that qualify the redevelopment area or project
20 pursuant to this subdivision and an affidavit, signed by the developer or
21 developers and submitted with the redevelopment plan, attesting that the
22 provisions of this subdivision have been met;

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

25 (3) The estimated dates, which shall not be more than twenty-three years
26 from the adoption of the ordinance approving a redevelopment project within a
27 redevelopment area, of completion of any redevelopment project and retirement
28 of obligations incurred to finance redevelopment project costs have been stated,
29 provided that no ordinance approving a redevelopment project shall be adopted
30 later than ten years from the adoption of the ordinance approving the
31 redevelopment plan under which such project is authorized and provided that no
32 property for a redevelopment project shall be acquired by eminent domain later
33 than five years from the adoption of the ordinance approving such redevelopment
34 project;

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

37 (5) A cost-benefit analysis showing the economic impact of the plan on

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

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

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

99.820. 1. A municipality may:

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

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

14 (3) Pursuant to a redevelopment plan, subject to any constitutional
15 limitations, acquire by purchase, donation, lease or, as part of a redevelopment
16 project, eminent domain, own, convey, lease, mortgage, or dispose of, land and
17 other property, real or personal, or rights or interests therein, and grant or
18 acquire licenses, easements and options with respect thereto, all in the manner
19 and at such price the municipality or the commission determines is reasonably
20 necessary to achieve the objectives of the redevelopment plan. **For**

21 **redevelopment projects approved on or after August 28, 2006, no**
22 **municipality shall assign, delegate, or confer its power of eminent**
23 **domain to a private entity if the redevelopment plan or project utilizes**
24 **the economic development tools provided in sections 99.800 to 99.865 in**
25 **conjunction with those provided in chapter 353, RSMo.** No conveyance,
26 lease, mortgage, disposition of land or other property, acquired by the
27 municipality, or agreement relating to the development of the property shall be
28 made except upon the adoption of an ordinance by the governing body of the
29 municipality. Each municipality or its commission shall establish written
30 procedures relating to bids and proposals for implementation of the
31 redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other
32 disposition of land or agreement relating to the development of property shall be
33 made without making public disclosure of the terms of the disposition and all bids
34 and proposals made in response to the municipality's request. Such procedures
35 for obtaining such bids and proposals shall provide reasonable opportunity for any
36 person to submit alternative proposals or bids;

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

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

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

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

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

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

51 (10) Incur redevelopment costs and issue obligations;

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

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

56 (a) Such surplus payments in lieu of taxes shall be distributed to taxing
57 districts within the redevelopment area which impose ad valorem taxes on a basis

58 that is proportional to the current collections of revenue which each taxing
59 district receives from real property in the redevelopment area;

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

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

69 (13) If any member of the governing body of the municipality, a member
70 of a commission established pursuant to subsection 2 of this section, or an
71 employee or consultant of the municipality, involved in the planning and
72 preparation of a redevelopment plan, or redevelopment project for a
73 redevelopment area or proposed redevelopment area, owns or controls an interest,
74 direct or indirect, in any property included in any redevelopment area, or
75 proposed redevelopment area, which property is designated to be acquired or
76 improved pursuant to a redevelopment project, he or she shall disclose the same
77 in writing to the clerk of the municipality, and shall also so disclose the dates,
78 terms, and conditions of any disposition of any such interest, which disclosures
79 shall be acknowledged by the governing body of the municipality and entered
80 upon the minutes books of the governing body of the municipality. If an
81 individual holds such an interest, then that individual shall refrain from any
82 further official involvement in regard to such redevelopment plan, redevelopment
83 project or redevelopment area, from voting on any matter pertaining to such
84 redevelopment plan, redevelopment project or redevelopment area, or
85 communicating with other members concerning any matter pertaining to that
86 redevelopment plan, redevelopment project or redevelopment area. Furthermore,
87 no such member or employee shall acquire any interest, direct or indirect, in any
88 property in a redevelopment area or proposed redevelopment area after either (a)
89 such individual obtains knowledge of such plan or project, or (b) first public notice
90 of such plan, project or area pursuant to section 99.830, whichever first occurs;

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

95 2. Prior to adoption of an ordinance approving the designation of a
96 redevelopment area or approving a redevelopment plan or redevelopment project,
97 the municipality shall create a commission of nine persons if the municipality is
98 a county or a city not within a county and not a first class county with a charter
99 form of government with a population in excess of nine hundred thousand, and
100 eleven persons if the municipality is not a county and not in a first class county
101 with a charter form of government having a population of more than nine
102 hundred thousand, and twelve persons if the municipality is located in or is a
103 first class county with a charter form of government having a population of more
104 than nine hundred thousand, to be appointed as follows:

105 (1) In all municipalities two members shall be appointed by the school
106 boards whose districts are included within the redevelopment plan or
107 redevelopment area. Such members shall be appointed in any manner agreed
108 upon by the affected districts. **Employees of the municipality shall be**
109 **ineligible for appointment to the commission under this subdivision;**

110 (2) In all municipalities one member shall be appointed, in any manner
111 agreed upon by the affected districts, to represent all other districts levying ad
112 valorem taxes within the area selected for a redevelopment project or the
113 redevelopment area, excluding representatives of the governing body of the
114 municipality **and school boards. Employees of the municipality shall be**
115 **ineligible for appointment to the commission under this subdivision;**

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

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

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

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

132 subsection;

133 (7) At the option of the members appointed by the municipality, the
134 members who are appointed by the school boards and other taxing districts may
135 serve on the commission for a term to coincide with the length of time a
136 redevelopment project, redevelopment plan or designation of a redevelopment area
137 is considered for approval by the commission, or for a definite term pursuant to
138 this subdivision. If the members representing school districts and other taxing
139 districts are appointed for a term coinciding with the length of time a
140 redevelopment project, plan or area is approved, such term shall terminate upon
141 final approval of the project, plan or designation of the area by the governing
142 body of the municipality. Thereafter the commission shall consist of the six
143 members appointed by the municipality, except that members representing school
144 boards and other taxing districts shall be appointed as provided in this section
145 prior to any amendments to any redevelopment plans, redevelopment projects or
146 designation of a redevelopment area. If any school district or other taxing
147 jurisdiction fails to appoint members of the commission within thirty days of
148 receipt of written notice of a proposed redevelopment plan, redevelopment project
149 or designation of a redevelopment area, the remaining members may proceed to
150 exercise the power of the commission. Of the members first appointed by the
151 municipality, two shall be designated to serve for terms of two years, two shall
152 be designated to serve for a term of three years and two shall be designated to
153 serve for a term of four years from the date of such initial
154 appointments. Thereafter, the members appointed by the municipality shall serve
155 for a term of four years, except that all vacancies shall be filled for unexpired
156 terms in the same manner as were the original appointments.

157 3. The commission, subject to approval of the governing body of the
158 municipality, may exercise the powers enumerated in sections 99.800 to 99.865,
159 except final approval of plans, projects and designation of redevelopment
160 areas. The commission shall hold public hearings and provide notice pursuant to
161 sections 99.825 and 99.830. The commission shall vote on all proposed
162 redevelopment plans, redevelopment projects and designations of redevelopment
163 areas, and amendments thereto, within thirty days following completion of the
164 hearing on any such plan, project or designation and shall make recommendations
165 to the governing body within ninety days of the hearing referred to in section
166 99.825 concerning the adoption of or amendment to redevelopment plans and
167 redevelopment projects and the designation of redevelopment areas. The
168 requirements of subsection 2 of this section and this subsection shall not apply

169 to redevelopment projects upon which the required hearings have been duly held
170 prior to August 31, 1991.

99.825. 1. Prior to the adoption of an ordinance proposing the designation
2 of a redevelopment area, or approving a redevelopment plan or redevelopment
3 project, the commission shall fix a time and place for a public hearing and notify
4 each taxing district located wholly or partially within the boundaries of the
5 proposed redevelopment area, plan or project. At the public hearing any
6 interested person or affected taxing district may file with the commission written
7 objections to, or comments on, and may be heard orally in respect to, any issues
8 embodied in the notice. The commission shall hear and consider all protests,
9 objections, comments and other evidence presented at the hearing. The hearing
10 may be continued to another date without further notice other than a motion to
11 be entered upon the minutes fixing the time and place of the subsequent
12 hearing. Prior to the conclusion of the hearing, changes may be made in the
13 redevelopment plan, redevelopment project, or redevelopment area, provided that
14 each affected taxing district is given written notice of such changes at least seven
15 days prior to the conclusion of the hearing. After the public hearing but prior to
16 the adoption of an ordinance approving a redevelopment plan or redevelopment
17 project, or designating a redevelopment area, changes may be made to the
18 redevelopment plan, redevelopment projects or redevelopment areas without a
19 further hearing, if such changes do not enlarge the exterior boundaries of the
20 redevelopment area or areas, and do not substantially affect the general land uses
21 established in the redevelopment plan or substantially change the nature of the
22 redevelopment projects, provided that notice of such changes shall be given by
23 mail to each affected taxing district and by publication in a newspaper of general
24 circulation in the area of the proposed redevelopment not less than ten days prior
25 to the adoption of the changes by ordinance.

26 **2. If, after concluding the hearing required under this section, the**
27 **commission makes a recommendation pursuant to section 99.820 in**
28 **opposition to a proposed redevelopment plan, redevelopment project, or**
29 **designation of a redevelopment area, or any amendments thereto, a**
30 **municipality desiring to approve such project or plan shall either:**

31 **(1) Place the proposed redevelopment plan, redevelopment**
32 **project, or designation of a redevelopment area, or any amendments**
33 **thereto, before the qualified voters of the municipality; or**

34 **(2) Approve the proposed redevelopment plan, redevelopment**
35 **project, or designation of a redevelopment area, or any amendments**

36 thereto, by a two-thirds vote of the governing body and allocate to, and
37 be paid by the local political subdivision's collecting officer to the
38 treasurer or other designated financial officer of the municipality, who
39 shall deposit in a separate segregated account within the special
40 allocation fund one hundred percent of the total additional revenue from
41 taxes, penalties, and interest imposed by the municipality or other
42 taxing districts which are generated by economic activities within the
43 area of the redevelopment project over the amount of such taxes
44 generated by economic activities within the area of the redevelopment
45 project in the calendar year prior to the adoption of the redevelopment
46 project by ordinance, while tax increment financing remains in effect,
47 but excluding taxes imposed on sales or charges for sleeping rooms paid
48 by transient guests of hotels and motels, taxes levied pursuant to section
49 70.500, RSMo, any voter-approved tax increase or levy approved
50 subsequent to the adoption of the ordinance approving the
51 redevelopment project which is not levied for the specific purpose of
52 funding or retiring the debt of the redevelopment project or plan, or
53 taxes levied for the purpose of public transportation pursuant to section
54 94.660, RSMo, licenses, fees or special assessments other than payments
55 in lieu of taxes and penalties and interest thereon. The allocation and
56 deposit of one hundred percent of the total additional revenue from
57 economic activity taxes required under this subdivision shall be utilized
58 to defease the obligations secured by the special allocation fund and
59 shorten the term of repayment.

60 3. After the adoption of an ordinance approving a redevelopment plan or
61 redevelopment project, or designating a redevelopment area, no ordinance shall
62 be adopted altering the exterior boundaries, affecting the general land uses
63 established pursuant to the redevelopment plan or changing the nature of the
64 redevelopment project without complying with the procedures provided in this
65 section pertaining to the initial approval of a redevelopment plan or
66 redevelopment project and designation of a redevelopment area. Hearings with
67 regard to a redevelopment project, redevelopment area, or redevelopment plan
68 may be held simultaneously.

69 [2.] 4. Tax incremental financing projects within an economic
70 development area shall apply to and fund only the following infrastructure
71 projects: highways, roads, streets, bridges, sewers, traffic control systems and
72 devices, water distribution and supply systems, curbing, sidewalks and any other

73 similar public improvements, but in no case shall it include buildings.

99.827. 1. In any municipality without authority for initiative
2 petition process, any proposed ordinance in opposition to a tax
3 increment financing project or portion thereof may be submitted to the
4 governing body by petition signed by voters of the municipality equal in
5 number to the percentage hereafter required. Such petition shall be
6 submitted no later than thirty days from the date of the adoption of an
7 ordinance approving the redevelopment project or plan. The signatures,
8 verification, authentication, inspection, certification, amendment, and
9 submission of such petition shall be the same as provided for petitions
10 under sections 78.260 to 78.290, RSMo.

11 2. For municipalities with populations less than five thousand, if
12 the petition accompanying the proposed ordinance is signed by voters
13 equal in number to twenty percent of the qualified registered voters for
14 the last preceding municipal election, and contains a request that the
15 said ordinance be submitted to a vote of the people if not passed by the
16 governing body, such governing body shall either:

17 (1) Pass said ordinance without alteration within twenty days
18 after attachment of the clerk's certificate to the accompanying petition;
19 or

20 (2) Forthwith after the clerk shall attach to the petition
21 accompanying such ordinance his certificate of sufficiency, the
22 governing body shall submit the question without alteration to the vote
23 of the voters.

24 3. For municipalities with populations greater than five thousand,
25 if the petition accompanying the proposed ordinance is signed by voters
26 equal in number to fifteen percent of the qualified registered voters for
27 the last preceding municipal election, and contains a request that the
28 said ordinance be submitted to a vote of the people if not passed by the
29 governing body, such governing body shall either:

30 (1) Pass said ordinance without alteration within twenty days
31 after attachment of the clerk's certificate to the accompanying petition;
32 or

33 (2) Forthwith after the clerk shall attach to the petition
34 accompanying such ordinance his certificate of sufficiency, the
35 governing body shall submit the question without alteration to the vote
36 of the voters.

99.841. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any greenfield area, as defined in section 99.805.

2. Subsection 1 of this section shall not apply to tax increment financing projects or districts approved prior to July 1, 2007, and shall allow the aforementioned tax increment financing projects to modify, amend, or expand such projects, including redevelopment project costs, by not more than forty percent of such project's original projected cost including redevelopment project costs as such project costs existed as of June 30, 2007, and shall allow the aforementioned tax increment financing district to modify, amend, or expand such districts by not more than five percent as such districts existed as of June 30, 2007.

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

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

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

26 value of each such unit of property in the area selected for the redevelopment
27 project shall be allocated to and, when collected, shall be paid to the municipal
28 treasurer who shall deposit such payment in lieu of taxes into a special fund
29 called the "Special Allocation Fund" of the municipality for the purpose of paying
30 redevelopment costs and obligations incurred in the payment thereof. Payments
31 in lieu of taxes which are due and owing shall constitute a lien against the real
32 estate of the redevelopment project from which they are derived and shall be
33 collected in the same manner as the real property tax, including the assessment
34 of penalties and interest where applicable. The municipality may, in the
35 ordinance, pledge the funds in the special allocation fund for the payment of such
36 costs and obligations and provide for the collection of payments in lieu of taxes,
37 the lien of which may be foreclosed in the same manner as a special assessment
38 lien as provided in section 88.861, RSMo. No part of the current equalized
39 assessed valuation of each lot, block, tract, or parcel of property in the area
40 selected for the redevelopment project attributable to any increase above the total
41 initial equalized assessed value of such properties shall be used in calculating the
42 general state school aid formula provided for in section 163.031, RSMo, until such
43 time as all redevelopment costs have been paid as provided for in this section and
44 section 99.850;

45 (b) Notwithstanding any provisions of this section to the contrary, for
46 purposes of determining the limitation on indebtedness of local government
47 pursuant to article VI, section 26(b) of the Missouri Constitution, the current
48 equalized assessed value of the property in an area selected for redevelopment
49 attributable to the increase above the total initial equalized assessed valuation
50 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
53 property within the taxing district in the aggregate valuation of assessed property
54 entered upon the assessor's book and verified pursuant to section 137.245, RSMo,
55 and such value shall be utilized for the purpose of the debt limitation on local
56 government pursuant to article VI, section 26(b) of the Missouri 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
59 tax levied under the authority of article III, section 38(b) of the Missouri
60 Constitution, or the merchants' and manufacturers' inventory replacement tax
61 levied under the authority of subsection 2 of section 6 of article X of the Missouri
62 Constitution, except in redevelopment project areas in which tax increment

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

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

87 3. In addition to the payments in lieu of taxes described in subdivision (2)
88 of subsection 1 of this section, for redevelopment plans and projects adopted or
89 redevelopment projects approved by ordinance after August 31, 1991, fifty percent
90 of the total additional revenue from taxes, penalties and interest which are
91 imposed by the municipality or other taxing districts, and which are generated
92 by economic activities within the area of the redevelopment project over the
93 amount of such taxes generated by economic activities within the area of the
94 redevelopment project in the calendar year prior to the adoption of the
95 redevelopment project by ordinance, while tax increment financing remains in
96 effect, but excluding personal property taxes, taxes imposed on sales or charges
97 for sleeping rooms paid by transient guests of hotels and motels, taxes levied
98 pursuant to section 70.500, RSMo, **effective August 28, 2006, any voter-**
99 **approved tax increase or levy approved subsequent to the adoption of**

100 **the ordinance approving the redevelopment project that is not levied for**
101 **the specific purpose of funding or retiring the debt of the redevelopment**
102 **project or plan,** or effective January 1, 1998, taxes levied for the purpose of
103 public transportation pursuant to section 94.660, RSMo, licenses, fees or special
104 assessments other than payments in lieu of taxes and penalties and interest
105 thereon, shall be allocated to, and paid by the local political subdivision collecting
106 officer to the treasurer or other designated financial officer of the municipality,
107 who shall deposit such funds in a separate segregated account within the special
108 allocation fund. **However, if the governing body of the municipality makes**
109 **an election under subdivision (2) of subsection 2 of section 99.825, then**
110 **such provision shall govern the amount of economic activity taxes that**
111 **shall be allocated to the special allocation fund.**

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

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

130 6. No transfer from the general revenue fund to the Missouri
131 supplemental tax increment financing fund shall be made unless an appropriation
132 is made from the general revenue fund for that purpose. No municipality shall
133 commit any state revenues prior to an appropriation being made for that
134 project. For all redevelopment plans or projects adopted or approved after
135 December 23, 1997, appropriations from the new state revenues shall not be
136 distributed from the Missouri supplemental tax increment financing fund into the

137 special allocation fund unless the municipality's redevelopment plan ensures that
138 one hundred percent of payments in lieu of taxes and [fifty] **one hundred**
139 percent of economic activity taxes generated by the project shall be used for
140 eligible redevelopment project costs while tax increment financing remains in
141 effect. This account shall be separate from the account into which payments in
142 lieu of taxes are deposited, and separate from the account into which economic
143 activity taxes are deposited.

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

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

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

168 (2) The state income tax withheld on behalf of new employees by the
169 employer pursuant to section 143.221, RSMo, at the business located within the
170 project as identified by the municipality. The state income tax withholding
171 allowed by this section shall be the municipality's estimate of the amount of state
172 income tax withheld by the employer within the redevelopment area for new
173 employees who fill new jobs directly created by the tax increment financing

174 project.

175 9. Subsection 4 of this section shall apply only to **[blighted] distressed**
176 areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo,
177 **[blighted] distressed** areas located in federal empowerment zones, or to
178 **[blighted] distressed** areas located in central business districts or urban core
179 areas of cities which districts or urban core areas at the time of approval of the
180 project by ordinance, provided that the enterprise zones, federal empowerment
181 zones or **[blighted] distressed** areas contained one or more buildings at least
182 fifty years old; and

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

186 (2) Was a historic hotel located in a county of the first classification
187 without a charter form of government with a population according to the most
188 recent federal decennial census in excess of one hundred fifty thousand and
189 containing a portion of a city with a population according to the most recent
190 federal decennial census in excess of three hundred fifty thousand.

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

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

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

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

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

210 (d) The official statement of any bond issue pursuant to this subsection

211 after December 23, 1997;

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

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

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

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

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

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

227 (k) The estimated development project costs;

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

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

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

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

234 (p) The most recent equalized assessed valuation of the property within
235 the development project area;

236 (q) An estimate as to the equalized assessed valuation after the
237 development project area is developed in accordance with a development plan;

238 (r) The general land uses to apply in the development area;

239 (s) The total number of individuals employed in the development area,
240 broken down by full-time, part-time, and temporary positions;

241 (t) The total number of full-time equivalent positions in the development
242 area;

243 (u) The current gross wages, state income tax withholdings, and federal
244 income tax withholdings for individuals employed in the development area;

245 (v) The total number of individuals employed in this state by the corporate
246 parent of any business benefiting from public expenditures in the development
247 area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal

248 year, broken down by full-time, part-time, and temporary positions;

249 (w) The number of new jobs to be created by any business benefiting from
250 public expenditures in the development area, broken down by full-time, part-time,
251 and temporary positions;

252 (x) The average hourly wage to be paid to all current and new employees
253 at the project site, broken down by full-time, part-time, and temporary positions;

254 (y) For project sites located in a metropolitan statistical area, as defined
255 by the federal Office of Management and Budget, the average hourly wage paid
256 to nonmanagerial employees in this state for the industries involved at the
257 project, as established by the United States Bureau of Labor Statistics;

258 (z) For project sites located outside of metropolitan statistical areas, the
259 average weekly wage paid to nonmanagerial employees in the county for
260 industries involved at the project, as established by the United States Department
261 of Commerce;

262 (aa) A list of other community and economic benefits to result from the
263 project;

264 (bb) A list of all development subsidies that any business benefiting from
265 public expenditures in the development area has previously received for the
266 project, and the name of any other granting body from which such subsidies are
267 sought;

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

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

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

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

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

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

283 (2) The methodologies used in the application for determining the base
284 year and determining the estimate of the incremental increase in the general

285 revenue portion of the state sales tax revenues or the state income tax withheld
286 by employers on behalf of new employees who fill new jobs created in the
287 redevelopment area shall be approved by the director of the department of
288 economic development or his or her designee and the commissioner of the office
289 of administration or his or her designee. Upon approval of the application, the
290 director of the department of economic development or his or her designee and the
291 commissioner of the office of administration or his or her designee shall issue a
292 certificate of approval. The department of economic development may request the
293 appropriation following application approval;

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

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

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

317 12. There is hereby established within the state treasury a special fund
318 to be known as the "Missouri Supplemental Tax Increment Financing Fund", to
319 be administered by the department of economic development. The department
320 shall annually distribute from the Missouri supplemental tax increment financing
321 fund the amount of the new state revenues as appropriated as provided in the

322 provisions of subsections 4 and 5 of this section if and only if the conditions of
323 subsection 10 of this section are met. The fund shall also consist of any gifts,
324 contributions, grants or bequests received from federal, private or other
325 sources. Moneys in the Missouri supplemental tax increment financing fund shall
326 be disbursed per project pursuant to state appropriations.

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

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

99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to
2 the contrary, no new tax increment financing project shall be authorized in any
3 area which is within an area designated as **a hundred-year** flood plain by the
4 Federal Emergency Management Agency **as amended from time to time**, and
5 which is **not** located in or partly within [a county with a charter form of
6 government with greater than two hundred fifty thousand inhabitants but fewer
7 than three hundred thousand inhabitants] **the incorporated limits of any city,**
8 **town, or village, unless the redevelopment area actually abuts a river or**
9 **major waterway and is substantially surrounded by contiguous**
10 **properties with residential, industrial, or commercial zoning**
11 **classifications.**

12 2. **Subsection 1 of** this subsection shall not apply to tax increment
13 financing projects or districts approved prior to [July 1, 2003] **August 28, 2007,**
14 and shall allow the aforementioned tax increment financing projects to modify,

15 amend or expand such projects including redevelopment project costs by not more
16 than forty percent of such project original projected cost including redevelopment
17 project costs as such projects including redevelopment project costs as such
18 projects redevelopment projects including redevelopment project costs existed as
19 of [June 30, 2003] **August 28, 2007**, and shall allow the aforementioned tax
20 increment financing district to modify, amend or expand such districts by not
21 more than five percent as such districts existed as of [June 30, 2003] **August 28,**
22 **2007.**

99.865. 1. Each year the governing body of the municipality, or its
2 designee, shall prepare a report concerning the status of each redevelopment plan
3 and redevelopment project, and shall submit a copy of such report to the director
4 of the department of economic development. The report shall include the
5 following:

- 6 (1) The amount and source of revenue in the special allocation fund;
- 7 (2) The amount and purpose of expenditures from the special allocation
8 fund;
- 9 (3) The amount of any pledge of revenues, including principal and interest
10 on any outstanding bonded indebtedness;
- 11 (4) The original assessed value of the redevelopment project;
- 12 (5) The assessed valuation added to the redevelopment project;
- 13 (6) Payments made in lieu of taxes received and expended;
- 14 (7) The economic activity taxes generated within the redevelopment area
15 in the calendar year prior to the approval of the redevelopment plan, to include
16 a separate entry for the state sales tax revenue base for the redevelopment area
17 or the state income tax withheld by employers on behalf of existing employees in
18 the redevelopment area prior to the redevelopment plan;
- 19 (8) The economic activity taxes generated within the redevelopment area
20 after the approval of the redevelopment plan, to include a separate entry for the
21 increase in state sales tax revenues for the redevelopment area or the increase
22 in state income tax withheld by employers on behalf of new employees who fill
23 new jobs created in the redevelopment area;
- 24 (9) Reports on contracts made incident to the implementation and
25 furtherance of a redevelopment plan or project;
- 26 (10) A copy of any redevelopment plan, which shall include the required
27 findings and cost-benefit analysis pursuant to subdivisions (1) to (6) of section
28 99.810;
- 29 (11) The cost of any property acquired, disposed of, rehabilitated,

30 reconstructed, repaired or remodeled;

31 (12) The number of parcels acquired by or through initiation of eminent
32 domain proceedings; and

33 (13) Any additional information the municipality deems necessary.

34 2. Data contained in the report mandated pursuant to the provisions of
35 subsection 1 of this section and any information regarding amounts disbursed to
36 municipalities pursuant to the provisions of section 99.845 shall be deemed a
37 public record, as defined in section 610.010, RSMo. An annual statement showing
38 the payments made in lieu of taxes received and expended in that year, the status
39 of the redevelopment plan and projects therein, amount of outstanding bonded
40 indebtedness and any additional information the municipality deems necessary
41 shall be published in a newspaper of general circulation in the municipality.

42 3. Five years after the establishment of a redevelopment plan and every
43 five years thereafter the governing body shall hold a public hearing regarding
44 those redevelopment plans and projects created pursuant to sections 99.800 to
45 99.865. The purpose of the hearing shall be to determine if the redevelopment
46 project is making satisfactory progress under the proposed time schedule
47 contained within the approved plans for completion of such projects. Notice of
48 such public hearing shall be given in a newspaper of general circulation in the
49 area served by the commission once each week for four weeks immediately prior
50 to the hearing.

51 4. **A municipality that fails to comply with the provisions of this**
52 **section shall be subject to a fine in an amount equal to ten dollars a day**
53 **for everyday of noncompliance. Fines shall be paid by the municipality**
54 **to the department of economic development and shall be placed into the**
55 **Missouri supplemental tax increment financing fund created under**
56 **subsection 12 of section 99.845.**

57 5. The director of the department of economic development shall submit
58 a report to the speaker of the house of representatives and the president pro tem
59 of the senate no later than February first of each year. The report shall contain
60 a summary of all information received by the director pursuant to this section.

61 [5.] 6. For the purpose of coordinating all tax increment financing
62 projects using new state revenues, the director of the department of economic
63 development may promulgate rules and regulations to ensure compliance with
64 this section. Such rules and regulations may include methods for enumerating
65 all of the municipalities which have established commissions pursuant to section
66 99.820. No rule or portion of a rule promulgated under the authority of sections

67 99.800 to 99.865 shall become effective unless it has been promulgated pursuant
68 to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior
69 to June 27, 1997, is of no force and effect and repealed; however, nothing in this
70 section shall be interpreted to repeal or affect the validity of any rule filed or
71 adopted prior to June 27, 1997, if such rule complied with the provisions of
72 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are
73 nonseverable and if any of the powers vested with the general assembly pursuant
74 to chapter 536, RSMo, including the ability to review, to delay the effective date,
75 or to disapprove and annul a rule or portion of a rule, are subsequently held
76 unconstitutional, then the purported grant of rulemaking authority and any rule
77 so proposed and contained in the order of rulemaking shall be invalid and void.

78 [6.] 7. The department of economic development shall provide information
79 and technical assistance, as requested by any municipality, on the requirements
80 of sections 99.800 to 99.865. Such information and technical assistance shall be
81 provided in the form of a manual, written in an easy-to-follow manner, and
82 through consultations with departmental staff.

Bill ✓

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