

SECOND REGULAR SESSION

# SENATE BILL NO. 1276

94TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR GRIESHEIMER.

Read 1st time February 28, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

5389S.011

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## AN ACT

To repeal section 99.820, RSMo, section 99.825 as enacted by senate committee substitute for house committee substitute for house bill no. 741, ninety-fourth general assembly, first regular session, and section 99.825 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, and to enact in lieu thereof two 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 Section 99.820, RSMo, section 99.825 as enacted by senate committee substitute for house committee substitute for house bill no. 741, ninety-fourth general assembly, first regular session, and section 99.825 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, are repealed and two new sections enacted in lieu thereof, to be known as sections 99.820 and 99.825, to read as follows:

99.820. 1. A municipality may:

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

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

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. No conveyance,  
21 lease, mortgage, disposition of land or other property, acquired by the  
22 municipality, or agreement relating to the development of the property shall be  
23 made except upon the adoption of an ordinance by the governing body of the  
24 municipality. Each municipality or its commission shall establish written  
25 procedures relating to bids and proposals for implementation of the  
26 redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other  
27 disposition of land or agreement relating to the development of property shall be  
28 made without making public disclosure of the terms of the disposition and all bids  
29 and proposals made in response to the municipality's request. Such procedures  
30 for obtaining such bids and proposals shall provide reasonable opportunity for  
31 any person to submit alternative proposals or bids;

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

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

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

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

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

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

46           (10) Incur redevelopment costs and issue obligations;

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

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

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

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

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

64           (13) If any member of the governing body of the municipality, a member  
65 of a commission established pursuant to subsection 2 **or subsection 3** of this  
66 section, or an employee or consultant of the municipality, involved in the  
67 planning and preparation of a redevelopment plan, or redevelopment project for  
68 a redevelopment area or proposed redevelopment area, owns or controls an  
69 interest, direct or indirect, in any property included in any redevelopment area,  
70 or proposed redevelopment area, which property is designated to be acquired or  
71 improved pursuant to a redevelopment project, he or she shall disclose the same  
72 in writing to the clerk of the municipality, and shall also so disclose the dates,  
73 terms, and conditions of any disposition of any such interest, which disclosures  
74 shall be acknowledged by the governing body of the municipality and entered  
75 upon the minutes books of the governing body of the municipality. If an  
76 individual holds such an interest, then that individual shall refrain from any  
77 further official involvement in regard to such redevelopment plan, redevelopment  
78 project or redevelopment area, from voting on any matter pertaining to such  
79 redevelopment plan, redevelopment project or redevelopment area, or  
80 communicating with other members concerning any matter pertaining to that  
81 redevelopment plan, redevelopment project or redevelopment area. Furthermore,  
82 no such member or employee shall acquire any interest, direct or indirect, in any

83 property in a redevelopment area or proposed redevelopment area after either (a)  
84 such individual obtains knowledge of such plan or project, or (b) first public notice  
85 of such plan, project or area pursuant to section 99.830, whichever first occurs;

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

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

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

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

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

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

117 (5) In a municipality which is a county with a charter form of government  
118 having a population in excess of nine hundred thousand, three members shall be

119 appointed by the cities in the county which have tax increment financing districts  
120 in a manner in which the cities shall agree;

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

126 (7) [Effective January 1, 2008, in a municipality which is in a county  
127 under the authority of the East-West Gateway Council of Governments, except  
128 any municipality in any county of the first classification with more than  
129 ninety-three thousand eight hundred but fewer than ninety-three thousand nine  
130 hundred inhabitants, the municipality shall create a commission in the same  
131 manner as the commission for any county with a charter form of government and  
132 with more than one million inhabitants, such commission shall have twelve  
133 members with two such members appointed by the school boards whose districts  
134 are included in the county in a manner in which such school boards agree, with  
135 one such member to represent all other districts levying ad valorem taxes in a  
136 manner in which all such districts agree, six such members appointed either by  
137 the county executive or county commissioner, and three such members appointed  
138 by the cities in the county which have tax increment financing districts in a  
139 manner in which the cities shall agree;

140 (8) Effective January 1, 2008, when any city, town, or village under the  
141 authority of the East-West Gateway Council of Governments, except any  
142 municipality in any county of the first classification with more than ninety-three  
143 thousand eight hundred but fewer than ninety-three thousand nine hundred  
144 inhabitants, desires to implement a tax increment financing project, such city,  
145 town, or village shall first obtain the permission of the county tax increment  
146 financing commission created in this subsection within which the city, town, or  
147 village is located. In the event such commission votes in opposition to the  
148 redevelopment project, such redevelopment project shall not be approved unless  
149 at least two-thirds of the governing body of the city, town, or village votes to  
150 approve such project;

151 (9)] At the option of the members appointed by the municipality, the  
152 members who are appointed by the school boards and other taxing districts may  
153 serve on the commission for a term to coincide with the length of time a  
154 redevelopment project, redevelopment plan or designation of a redevelopment

155 area is considered for approval by the commission, or for a definite term pursuant  
156 to this subdivision. If the members representing school districts and other taxing  
157 districts are appointed for a term coinciding with the length of time a  
158 redevelopment project, plan or area is approved, such term shall terminate upon  
159 final approval of the project, plan or designation of the area by the governing  
160 body of the municipality. Thereafter the commission shall consist of the six  
161 members appointed by the municipality, except that members representing school  
162 boards and other taxing districts shall be appointed as provided in this section  
163 prior to any amendments to any redevelopment plans, redevelopment projects or  
164 designation of a redevelopment area. If any school district or other taxing  
165 jurisdiction fails to appoint members of the commission within thirty days of  
166 receipt of written notice of a proposed redevelopment plan, redevelopment project  
167 or designation of a redevelopment area, the remaining members may proceed to  
168 exercise the power of the commission. Of the members first appointed by the  
169 municipality, two shall be designated to serve for terms of two years, two shall  
170 be designated to serve for a term of three years and two shall be designated to  
171 serve for a term of four years from the date of such initial  
172 appointments. Thereafter, the members appointed by the municipality shall  
173 serve for a term of four years, except that all vacancies shall be filled for  
174 unexpired terms in the same manner as were the original appointments.

175 3. [The commission,] **Effective August 28, 2008:**

176 (1) **In lieu of a commission created pursuant to subsection 2 of**  
177 **this section, any city, town or village in a county of the first**  
178 **classification having a population of over one million inhabitants, in a**  
179 **county with a charter form of government having a population of not**  
180 **more than three hundred thousand inhabitants and not less than two**  
181 **hundred seventy-five thousand inhabitants, or in a county of the first**  
182 **classification without a charter form of government having a**  
183 **population of not more than two hundred thousand inhabitants and not**  
184 **less than one hundred and ninety thousand inhabitants shall, prior to**  
185 **adoption of an ordinance approving the designation of a redevelopment**  
186 **area or approving a redevelopment plan or redevelopment project,**  
187 **create a commission consisting of twelve persons to be appointed as**  
188 **follows:**

189 (a) **Six members appointed either by the county executive or**  
190 **presiding county commissioner; no approval by the county's governing**

191 body shall be required, notwithstanding any provision of law or charter  
192 to the contrary;

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

197 (c) Two members appointed by the school boards whose districts  
198 are included in the county in a manner in which such school boards  
199 agree; and

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

203 No city, town, or village subject to this subsection shall create or  
204 maintain a commission pursuant to subsection 2 of this section, except  
205 as necessary to complete a public hearing for which notice pursuant to  
206 section 99.830 has been provided prior to August 28, 2008, and to vote  
207 or make recommendations relating to redevelopment plans,  
208 redevelopment projects, designation of redevelopment areas, or  
209 amendments thereto that were the subject of such public hearing;

210 (2) Members appointed to the commission created by this  
211 subsection shall serve on the commission for a term to coincide with  
212 the length of time a redevelopment project, redevelopment plan, or  
213 designation of a redevelopment area is considered for approval by the  
214 commission. The city, town, or village that creates a commission  
215 pursuant to this subsection shall send notice thereof by certified mail  
216 to the county executive or presiding county commissioner, to the school  
217 districts whose boundaries include any portion of the proposed  
218 redevelopment area, and to the other taxing districts whose boundaries  
219 include any portion of the proposed redevelopment area. The city,  
220 town, or village that creates the commission shall also be solely  
221 responsible for notifying all other cities, towns, and villages in the  
222 county that have tax increment financing districts. The school districts  
223 receiving notice from the city, town, or village shall be solely  
224 responsible for notifying the other school districts within the county of  
225 the formation of the commission. If the county, school boards, or other  
226 taxing districts fail to appoint members to the commission within thirty  
227 days after the city, town, or village sends the written notice as

228 **provided herein that it has convened such a commission, or within**  
229 **thirty days of the expiration of any such member's term, the remaining**  
230 **duly appointed members of the commission may exercise the full**  
231 **powers of the commission.**

232 **4. Any commission created pursuant to this section,** subject to  
233 approval of the governing body of the municipality, may exercise the powers  
234 enumerated in sections 99.800 to 99.865, except final approval of plans, projects  
235 and designation of redevelopment areas. The commission shall hold public  
236 hearings and provide notice pursuant to sections 99.825 and 99.830. [The]

237 **(1) Any commission created under subsection 2 of this section** shall  
238 vote on all proposed redevelopment plans, redevelopment projects and  
239 designations of redevelopment areas, and amendments thereto, within thirty days  
240 following completion of the hearing on any such plan, project or designation and  
241 shall make recommendations to the governing body within ninety days of the  
242 hearing referred to in section 99.825 concerning the adoption of or amendment to  
243 redevelopment plans and redevelopment projects and the designation of  
244 redevelopment areas. The requirements of subsection 2 of this section and this  
245 subsection shall not apply to redevelopment projects upon which the required  
246 hearings have been duly held prior to August 31, 1991.

247 **(2) Any commission created under subsection 3 of this section**  
248 **shall, within fifteen days of the receipt of a redevelopment plan**  
249 **meeting the minimum requirements of section 99.810, as determined by**  
250 **counsel to the city, town, or village creating the commission, and a**  
251 **request by the applicable city, town, or village for a public hearing, fix**  
252 **a time and place for the public hearing referred to in section**  
253 **99.825. The public hearing shall be held no later than seventy-five days**  
254 **from the commission's receipt of such redevelopment plan and request**  
255 **for public hearing. The commission shall vote and make**  
256 **recommendations to the governing body of the city, town, or village**  
257 **requesting the public hearing on all proposed redevelopment plans,**  
258 **redemption projects, and designations of redevelopment areas, and**  
259 **amendments thereto, within thirty days following the completion of the**  
260 **public hearing. Failure by the commission to vote within thirty days**  
261 **following the completion of the public hearing referred to in section**  
262 **99.825 concerning a proposed redevelopment plan, redevelopment**  
263 **project, designation of redevelopment area, or amendments thereto,**



264 **such plan, project, area, or amendment thereto shall be deemed a**  
265 **recommendation in opposition by the commission.**

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

35 complying with the procedures provided in this section pertaining to the initial  
36 approval of a redevelopment plan or redevelopment project and designation of a  
37 redevelopment area. Hearings with regard to a redevelopment project,  
38 redevelopment area, or redevelopment plan may be held simultaneously.

39         2. Effective January 1, 2008, if, after concluding the hearing required  
40 under this section, the commission makes a recommendation under section 99.820  
41 in opposition to a proposed redevelopment plan, redevelopment project, or  
42 designation of a redevelopment area, or any amendments thereto, a municipality  
43 desiring to approve such project, plan, designation, or amendments shall do so  
44 only upon a two-thirds majority vote of the governing body of such municipality.

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

          [99.825. 1. Prior to the adoption of an ordinance proposing  
2         the designation of a redevelopment area, or approving a  
3         redemption plan or redemption project, the commission shall  
4         fix a time and place for a public hearing and notify each taxing  
5         district located wholly or partially within the boundaries of the  
6         proposed redevelopment area, plan or project. At the public  
7         hearing any interested person or affected taxing district may file  
8         with the commission written objections to, or comments on, and  
9         may be heard orally in respect to, any issues embodied in the  
10        notice. The commission shall hear and consider all protests,  
11        objections, comments and other evidence presented at the  
12        hearing. The hearing may be continued to another date without  
13        further notice other than a motion to be entered upon the minutes  
14        fixing the time and place of the subsequent hearing. Prior to the  
15        conclusion of the hearing, changes may be made in the  
16        redemption plan, redemption project, or redemption area,  
17        provided that each affected taxing district is given written notice  
18        of such changes at least seven days prior to the conclusion of the  
19        hearing. After the public hearing but prior to the adoption of an  
20        ordinance approving a redemption plan or redemption  
21        project, or designating a redemption area, changes may be made

to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

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

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