

FIRST REGULAR SESSION

# SENATE BILL NO. 155

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUPP.

Read 1st time January 24, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1041S.011

## AN ACT

To repeal sections 99.820 and 99.825, RSMo, and to enact in lieu thereof two new sections relating to tax increment financing.

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

Section A. Sections 99.820 and 99.825, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 99.820 and 99.825, to  
3 read as follows:

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 benefitted 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

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

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 3 of this section, or an  
66 employee or consultant of the municipality, involved in the planning and  
67 preparation of a redevelopment plan, or redevelopment project for a  
68 redevelopment area or proposed redevelopment area, owns or controls an interest,  
69 direct or indirect, in any property included in any redevelopment area, or  
70 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) At the option of the members appointed by the municipality, the

127 members who are appointed by the school boards and other taxing districts may  
128 serve on the commission for a term to coincide with the length of time a  
129 redevelopment project, redevelopment plan or designation of a redevelopment  
130 area is considered for approval by the commission, or for a definite term pursuant  
131 to this subdivision. If the members representing school districts and other taxing  
132 districts are appointed for a term coinciding with the length of time a  
133 redevelopment project, plan or area is approved, such term shall terminate upon  
134 final approval of the project, plan or designation of the area by the governing  
135 body of the municipality. Thereafter the commission shall consist of the six  
136 members appointed by the municipality, except that members representing school  
137 boards and other taxing districts shall be appointed as provided in this section  
138 prior to any amendments to any redevelopment plans, redevelopment projects or  
139 designation of a redevelopment area. If any school district or other taxing  
140 jurisdiction fails to appoint members of the commission within thirty days of  
141 receipt of written notice of a proposed redevelopment plan, redevelopment project  
142 or designation of a redevelopment area, the remaining members may proceed to  
143 exercise the power of the commission. Of the members first appointed by the  
144 municipality, two shall be designated to serve for terms of two years, two shall  
145 be designated to serve for a term of three years and two shall be designated to  
146 serve for a term of four years from the date of such initial  
147 appointments. Thereafter, the members appointed by the municipality shall  
148 serve for a term of four years, except that all vacancies shall be filled for  
149 unexpired terms in the same manner as were the original  
150 appointments. Members appointed by the county executive or presiding  
151 commissioner prior to August 28, 2008, shall continue their service on the  
152 commission established in subsection 3 of this section without further  
153 appointment unless the county executive or presiding commissioner appoints a  
154 new member or members.

155           3. Beginning August 28, 2008:

156           (1) In lieu of a commission created under subsection 2 of this section, any  
157 city, town, or village in a county with a charter form of government and with  
158 more than one million inhabitants, in a county with a charter form of government  
159 and with more than two hundred fifty thousand but fewer than three hundred  
160 fifty thousand inhabitants, or in a county of the first classification with more than  
161 one hundred eighty-five thousand but fewer than two hundred thousand  
162 inhabitants shall, prior to adoption of an ordinance approving the designation of

163 a redevelopment area or approving a redevelopment plan or redevelopment  
164 project, create a commission consisting of twelve persons to be appointed as  
165 follows:

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

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

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

174 (d) One member to represent all other districts levying ad valorem taxes  
175 in the proposed redevelopment area in a manner in which all such districts agree.  
176 No city, town, or village subject to this subsection shall create or maintain a  
177 commission under subsection 2 of this section, except as necessary to complete a  
178 public hearing for which notice under section 99.830 has been provided prior to  
179 August 28, 2008, and to vote or make recommendations relating to redevelopment  
180 plans, redevelopment projects, or designation of redevelopment areas, or  
181 amendments thereto that were the subject of such public hearing;

182 (2) Members appointed to the commission created under this subsection,  
183 except those six members appointed by either the county executive or presiding  
184 commissioner, shall serve on the commission for a term to coincide with the  
185 length of time a redevelopment project, redevelopment plan, or designation of a  
186 redevelopment area is considered for approval by the commission. The six  
187 members appointed by either the county executive or the presiding commissioner  
188 shall serve on all such commissions until replaced. The city, town, or village that  
189 creates a commission under this subsection shall send notice thereof by certified  
190 mail to the county executive or presiding commissioner, to the school districts  
191 whose boundaries include any portion of the proposed redevelopment area, and  
192 to the other taxing districts whose boundaries include any portion of the proposed  
193 redevelopment area. The city, town, or village that creates the commission shall  
194 also be solely responsible for notifying all other cities, towns, and villages in the  
195 county that have tax increment financing districts and shall exercise all  
196 administrative functions of the commission. The school districts receiving notice  
197 from the city, town, or village shall be solely responsible for notifying the other  
198 school districts within the county of the formation of the commission. If the

199 county, school board, or other taxing district fails to appoint members to the  
200 commission within thirty days after the city, town, or village sends the written  
201 notice, as provided herein, that it has convened such a commission or within  
202 thirty days of the expiration of any such member's term, the remaining duly  
203 appointed members of the commission may exercise the full powers of the  
204 commission.

205 4. (1) Any commission created under this section, subject to approval of  
206 the governing body of the municipality, may exercise the powers enumerated in  
207 sections 99.800 to 99.865, except final approval of plans, projects and designation  
208 of redevelopment areas. The commission shall hold public hearings and provide  
209 notice pursuant to sections 99.825 and 99.830.

210 (2) Any commission created under subsection 2 of this section shall vote  
211 on all proposed redevelopment plans, redevelopment projects and designations of  
212 redevelopment areas, and amendments thereto, within thirty days following  
213 completion of the hearing on any such plan, project or designation and shall make  
214 recommendations to the governing body within ninety days of the hearing  
215 referred to in section 99.825 concerning the adoption of or amendment to  
216 redevelopment plans and redevelopment projects and the designation of  
217 redevelopment areas. The requirements of subsection 2 of this section and this  
218 subsection shall not apply to redevelopment projects upon which the required  
219 hearings have been duly held prior to August 31, 1991.

220 (3) Any commission created under subsection 3 of this section shall,  
221 within fifteen days of the receipt of a redevelopment plan meeting the minimum  
222 requirements of section 99.810, as determined by counsel to the city, town, or  
223 village creating the commission and a request by the applicable city, town, or  
224 village for a public hearing, **provide a copy of the redevelopment plan,**  
225 **redevelopment projects, and designations of redevelopment areas, and**  
226 **amendments thereto, for the purpose of receiving comment on the**  
227 **regional benefits of the proposal to the designated metropolitan**  
228 **planning organization, the regional chamber of commerce organization,**  
229 **and any regional consortium of chief executive officers representing at**  
230 **least eighty of the region's largest mid-cap companies, and** fix a time and  
231 place for the public hearing referred to in section 99.825. The public hearing  
232 shall be held no later than seventy-five days from the commission's receipt of  
233 such redevelopment plan and request for public hearing. The commission shall  
234 vote and make recommendations to the governing body of the city, town, or village

235 requesting the public hearing on all proposed redevelopment plans,  
236 redevelopment projects, and designations of redevelopment areas, and  
237 amendments thereto within thirty days following the completion of the public  
238 hearing. If the commission fails to vote within thirty days following the  
239 completion of the public hearing referred to in section 99.825 concerning the  
240 proposed redevelopment plan, redevelopment project, or designation of  
241 redevelopment area, or amendments thereto, such plan, project, designation, or  
242 amendment thereto shall be deemed rejected 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 required  
4 in subsection 4 of section 99.820 and notify each taxing district located wholly or  
5 partially within the boundaries of the proposed redevelopment area, plan or  
6 project. At the public hearing any interested person or affected taxing district  
7 may file with the commission written objections to, or comments on, and may be  
8 heard orally in respect to, any issues embodied in the notice. The commission  
9 shall hear and consider all protests, objections, comments and other evidence  
10 presented at the hearing. The hearing may be continued to another date without  
11 further notice other than a motion to be entered upon the minutes fixing the time  
12 and place of the subsequent hearing; provided, if the commission is created under  
13 subsection 3 of section 99.820, the hearing shall not be continued for more than  
14 thirty days beyond the date on which it is originally opened unless such longer  
15 period is requested by the chief elected official of the municipality creating the  
16 commission and approved by a majority of 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,] **No municipality shall approve a**  
40 **proposed redevelopment plan, redevelopment project, or designation**  
41 **of a redevelopment area, or any amendments thereto**, if, after concluding  
42 the hearing required under this section, the commission makes a recommendation  
43 under section 99.820 in opposition to [a proposed redevelopment plan,  
44 redevelopment project, or designation of a redevelopment area, or any  
45 amendments thereto, a municipality desiring to approve] such project, plan,  
46 designation, or amendments [shall do so only upon a two- thirds majority vote of  
47 the governing body of such municipality].

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

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