

FIRST REGULAR SESSION

# SENATE BILL NO. 213

97TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR KRAUS.

Read 1st time January 28, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

0660S.011

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## AN ACT

To repeal sections 99.810, 99.848, and 99.1042, RSMo, and to enact in lieu thereof three new sections relating to tax increment financing.

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

Section A. Sections 99.810, 99.848, and 99.1042, RSMo, are repealed and  
2 three new sections enacted in lieu thereof, to be known as sections 99.810, 99.848,  
3 and 99.1042, to read as follows:

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, the anticipated sources of funds to pay the costs, evidence of the  
5 commitments to finance the project costs, the anticipated type and term of the  
6 sources of funds to pay costs, the anticipated type and terms of the obligations to  
7 be issued, the most recent equalized assessed valuation of the property within the  
8 redevelopment area which is to be subjected to payments in lieu of taxes and  
9 economic activity taxes pursuant to section 99.845, an estimate as to the  
10 equalized assessed valuation after redevelopment, and the general land uses to  
11 apply in the redevelopment area. No redevelopment plan shall be adopted by a  
12 municipality without findings that:

13 (1) The redevelopment area on the whole is a blighted area, a conservation  
14 area, or an economic development area, and has not been subject to growth and  
15 development through investment by private enterprise and would not reasonably  
16 be anticipated to be developed without the adoption of tax increment  
17 financing. Such a finding shall include, but not be limited to, a detailed  
18 description of the factors that qualify the redevelopment area or project pursuant

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

19 to this subdivision and an affidavit, signed by the developer or developers and  
20 submitted with the redevelopment plan, attesting that the provisions of this  
21 subdivision have been met;

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

24 (3) The estimated dates, which shall not be more than twenty-three years  
25 from the adoption of the ordinance approving a redevelopment project within a  
26 redevelopment area, of completion of any redevelopment project and retirement  
27 of obligations incurred to finance redevelopment project costs have been stated,  
28 provided that no ordinance approving a redevelopment project shall be adopted  
29 later than ten years from the adoption of the ordinance approving the  
30 redevelopment plan [under which such project is authorized] and provided that  
31 no property for a redevelopment project shall be acquired by eminent domain  
32 later than five years from the adoption of the ordinance approving such  
33 redevelopment project. **A municipality desiring to create a new**  
34 **redevelopment project after the ten-year adoption period has passed**  
35 **shall create a new redevelopment plan with an independent special**  
36 **allocation fund and required statutory findings;**

37 (4) A plan has been developed for relocation assistance for businesses and  
38 residences;

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

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

51 2. By the last day of February each year, each commission shall report to  
52 the director of economic development the name, address, phone number and  
53 primary line of business of any business which relocates to the district. The  
54 director of the department of economic development shall compile and report the

55 same to the governor, the speaker of the house and the president pro tempore of  
56 the senate on the last day of April each year.

99.848. [Notwithstanding subsection 1 of section 99.847,] 1. Any district  
2 providing emergency services pursuant to chapter 190 or 321 shall be entitled to  
3 reimbursement from the special allocation fund in the amount of at least fifty  
4 percent nor more than one hundred percent of the district's tax increment. This  
5 [section] **subsection** shall not apply to tax increment financing projects or  
6 districts approved prior to August 28, 2004.

7 **2. Districts not providing emergency services pursuant to**  
8 **chapter 190 or 321 shall be entitled to reimbursement from the special**  
9 **allocation fund in the amount of twenty percent of the district's tax**  
10 **increment. This subsection shall not apply to tax increment financing**  
11 **projects or districts approved prior to August 28, 2013.**

99.1042. 1. A municipality, after designating a development area,  
2 adopting a development plan, and adopting any development project in  
3 conformance with the procedures of sections 99.1000 to 99.1060, may adopt  
4 development financing for the development project area selected for any such  
5 development project by passing an ordinance. Upon the adoption of the first of  
6 any such ordinances, the municipality shall establish, or shall direct the  
7 authority to establish, a special allocation fund for the development area.

8 2. Immediately upon the adoption of a resolution or ordinance adopting  
9 development financing for a development project area pursuant to subsection 1  
10 of this section, the county assessor shall determine the total equalized assessed  
11 value of all taxable real property within such development project area by adding  
12 together the most recently ascertained equalized assessed value of each taxable  
13 lot, block, tract, or parcel of real property within such development project area  
14 as of the date of the adoption of such resolution or ordinance and shall provide  
15 to the clerk of the municipality written certification of such amount as the total  
16 initial equalized assessed value of the taxable real property within such  
17 development project area.

18 3. In each of the twenty-five calendar years following the adoption of an  
19 ordinance adopting development financing for a development project area  
20 pursuant to subsection 1 of this section unless and until development financing  
21 for such development project area is terminated by ordinance of the municipality,  
22 the ad valorem taxes, and payments in lieu of taxes, if any, arising from the  
23 levies upon taxable real property in such development project area by taxing

24 districts at the tax rates determined in the manner provided in section 99.1054  
25 shall be divided as follows:

26 (1) That portion of taxes, penalties, and interest levied upon each taxable  
27 lot, block, tract, or parcel of real property in such development project area which  
28 is attributable to the initial equalized assessed value of each such taxable lot,  
29 block, tract, or parcel of real property in such development project area as  
30 certified by the county assessor in accordance with subsection 2 of this section  
31 shall be allocated to and, when collected, shall be paid by the collecting authority  
32 to the respective affected taxing districts in the manner required by law in the  
33 absence of the adoption of development financing;

34 (2) Payments in lieu of taxes attributable to the increase in the current  
35 equalized assessed valuation of each taxable lot, block, tract, or parcel of real  
36 property in the development project area and any applicable penalty and interest  
37 over and above the initial equalized assessed value of each such taxable lot, block,  
38 tract, or parcel of real property in such development project area as certified by  
39 the county assessor in accordance with subsection 2 of this section shall be  
40 allocated to and, when collected, shall be paid to the collecting officer of the  
41 municipality who shall deposit such payment in lieu of taxes into a separate  
42 segregated account for payments in lieu of taxes within the special  
43 fund. Payments in lieu of taxes which are due and owing shall constitute a lien  
44 against the real property from which such payments in lieu of taxes are derived  
45 and shall be collected in the same manner as real property taxes, including the  
46 assessment of penalties and interest where applicable. The lien of payments in  
47 lieu of taxes may be foreclosed in the same manner as the lien of real property  
48 taxes. No part of the current equalized assessed valuation of each taxable lot,  
49 block, tract, or parcel of property in any such development project area  
50 attributable to any increase above the initial equalized assessed value of each  
51 such taxable lot, block, tract, or parcel of real property in such development  
52 project area as certified by the county assessor in accordance with subsection 2  
53 of this section shall be used in calculating the general state school aid formula  
54 provided for in section 163.031 until development financing for such development  
55 project area expires or is terminated in accordance with sections 99.1000 to  
56 99.1060;

57 (3) For purposes of this section, "levies upon taxable real property in such  
58 development area by taxing districts" shall not include the blind pension fund tax  
59 levied under the authority of section 38(b), article III, of the Missouri

60 Constitution, the merchants' and manufacturers' inventory replacement tax levied  
61 under the authority of subsection 2 of section 6, article X of the Missouri  
62 Constitution, the desegregation sales tax, or the conservation taxes.

63         4. In each of the twenty-five calendar years following the adoption of an  
64 ordinance or resolution adopting development financing for a development project  
65 area pursuant to subsection 1 of this section unless and until development  
66 financing for such development project area is terminated in accordance with  
67 sections 99.1000 to 99.1060, fifty percent of the economic activity taxes from such  
68 development project area shall be allocated to, and paid by the collecting officer  
69 of any such economic activity tax to, the treasurer or other designated financial  
70 officer of the municipality, who shall deposit such funds in a separate segregated  
71 account for economic activity taxes within the special allocation fund.

72         5. In no event shall a municipality collect and deposit economic activity  
73 taxes in the special allocation fund unless the developing project has been  
74 approved for state supplemental rural development financing pursuant to section  
75 99.1045.

76         **6. All taxing districts shall have the right for their elected boards**  
77 **to determine if the district's tax increments shall be spent on the**  
78 **development project.**

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