

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 570

AN ACT

To repeal sections 99.805, 99.810, 99.843, 99.847, and 99.848, RSMo, and to enact in lieu thereof six new sections relating to tax increment financing.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Sections 99.805, 99.810, 99.843, 99.847, and
2 99.848, RSMo, are repealed and six new sections enacted in lieu
3 thereof, to be known as sections 99.805, 99.810, 99.821, 99.843,
4 99.847, and 99.848, to read as follows:

5 99.805. As used in sections 99.800 to 99.865, unless the
6 context clearly requires otherwise, the following terms shall
7 mean:

8 (1) "Blighted area", an area which, by reason of the
9 predominance of defective or inadequate street layout, insanitary
10 or unsafe conditions, deterioration of site improvements,
11 [improper subdivision or obsolete platting,] or the existence of
12 conditions which endanger life or property by fire and other
13 causes, or any combination of such factors, retards the provision
14 of housing accommodations or constitutes an economic or social
15 liability or a menace to the public health, safety, [morals,] or
16 welfare in its present condition and use, and, for areas located
17 in a city not within a county, which are located in a census

1 tract that is defined as a low-income community under 26 U.S.C.
2 Section 45D(e) or is eligible to be designated as a qualified
3 opportunity zone under 26 U.S.C. Section 1400Z;

4 (2) "Collecting officer", the officer of the municipality
5 responsible for receiving and processing payments in lieu of
6 taxes or economic activity taxes from taxpayers or the department
7 of revenue;

8 (3) "Conservation area", any improved area within the
9 boundaries of a redevelopment area located within the territorial
10 limits of a municipality in which fifty percent or more of the
11 structures in the area have an age of thirty-five years or more.
12 Such an area is not yet a blighted area but is detrimental to the
13 public health, safety, [morals,] or welfare and may become a
14 blighted area because of any one or more of the following
15 factors: dilapidation; obsolescence; deterioration; illegal use
16 of individual structures; presence of structures below minimum
17 code standards; abandonment; excessive vacancies; overcrowding of
18 structures and community facilities; lack of ventilation, light
19 or sanitary facilities; inadequate utilities; excessive land
20 coverage; deleterious land use or layout; depreciation of
21 physical maintenance; and lack of community planning. A
22 conservation area shall meet at least three of the factors
23 provided in this subdivision for projects approved on or after
24 December 23, 1997. For all redevelopment plans and projects
25 approved on or after January 1, 2022, in retail areas, a
26 conservation area shall meet the dilapidation factor as one of
27 the three factors required under this subdivision;

28 (4) "Economic activity taxes", the total additional revenue

1 from taxes which are imposed by a municipality and other taxing
2 districts, and which are generated by economic activities within
3 a redevelopment area over the amount of such taxes generated by
4 economic activities within such redevelopment area in the
5 calendar year prior to the adoption of the ordinance designating
6 such a redevelopment area, while tax increment financing remains
7 in effect, but excluding personal property taxes, taxes imposed
8 on sales or charges for sleeping rooms paid by transient guests
9 of hotels and motels, licenses, fees or special assessments. For
10 redevelopment projects or redevelopment plans approved after
11 December 23, 1997, if a retail establishment relocates within one
12 year from one facility to another facility within the same county
13 and the governing body of the municipality finds that the
14 relocation is a direct beneficiary of tax increment financing,
15 then for purposes of this definition, the economic activity taxes
16 generated by the retail establishment shall equal the total
17 additional revenues from economic activity taxes which are
18 imposed by a municipality or other taxing district over the
19 amount of economic activity taxes generated by the retail
20 establishment in the calendar year prior to its relocation to the
21 redevelopment area;

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

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

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

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

6 (6) "Gambling establishment", an excursion gambling boat as
7 defined in section 313.800 and any related business facility
8 including any real property improvements which are directly and
9 solely related to such business facility, whose sole purpose is
10 to provide goods or services to an excursion gambling boat and
11 whose majority ownership interest is held by a person licensed to
12 conduct gambling games on an excursion gambling boat or licensed
13 to operate an excursion gambling boat as provided in sections
14 313.800 to 313.850. This subdivision shall be applicable only to
15 a redevelopment area designated by ordinance adopted after
16 December 23, 1997;

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

25 (8) "Municipality", a city, village, or incorporated town
26 or any county of this state. For redevelopment areas or projects
27 approved on or after December 23, 1997, municipality applies only
28 to cities, villages, incorporated towns or counties established

1 for at least one year prior to such date;

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

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

10 (11) "Payment in lieu of taxes", those estimated revenues
11 from real property in the area selected for a redevelopment
12 project, which revenues according to the redevelopment project or
13 plan are to be used for a private use, which taxing districts
14 would have received had a municipality not adopted tax increment
15 allocation financing, and which would result from levies made
16 after the time of the adoption of tax increment allocation
17 financing during the time the current equalized value of real
18 property in the area selected for the redevelopment project
19 exceeds the total initial equalized value of real property in
20 such area until the designation is terminated pursuant to
21 subsection 2 of section 99.850;

22 (12) "Port infrastructure project", docks and associated
23 equipment, cargo and passenger terminals, storage warehouses, or
24 any other similar infrastructure directly related to port
25 facilities located in a port district created pursuant to the
26 provisions of chapter 68 and located within one-half of one mile
27 of a navigable waterway;

28 [(12)] (13) "Redevelopment area", an area designated by a

1 municipality, in respect to which the municipality has made a
2 finding that there exist conditions which cause the area to be
3 classified as a blighted area, a conservation area, an economic
4 development area, an enterprise zone pursuant to sections 135.200
5 to 135.256, or a combination thereof, which area includes only
6 those parcels of real property directly and substantially
7 benefitted by the proposed redevelopment project;

8 [(13)] (14) "Redevelopment plan", the comprehensive program
9 of a municipality for redevelopment intended by the payment of
10 redevelopment costs to reduce or eliminate those conditions, the
11 existence of which qualified the redevelopment area as a blighted
12 area, conservation area, economic development area, or
13 combination thereof, and to thereby enhance the tax bases of the
14 taxing districts which extend into the redevelopment area. Each
15 redevelopment plan shall conform to the requirements of section
16 99.810;

17 [(14)] (15) "Redevelopment project", any development
18 project within a redevelopment area in furtherance of the
19 objectives of the redevelopment plan; any such redevelopment
20 project shall include a legal description of the area selected
21 for the redevelopment project;

22 [(15)] (16) "Redevelopment project costs" include the sum
23 total of all reasonable or necessary costs incurred or estimated
24 to be incurred, and any such costs incidental to a redevelopment
25 plan or redevelopment project, as applicable. Such costs
26 include, but are not limited to, the following:

- 27 (a) Costs of studies, surveys, plans, and specifications;
- 28 (b) Professional service costs, including, but not limited

1 to, architectural, engineering, legal, marketing, financial,
2 planning or special services. Except the reasonable costs
3 incurred by the commission established in section 99.820 for the
4 administration of sections 99.800 to 99.865, such costs shall be
5 allowed only as an initial expense which, to be recoverable,
6 shall be included in the costs of a redevelopment plan or
7 project;

8 (c) Property assembly costs, including, but not limited to:

9 a. Acquisition of land and other property, real or
10 personal, or rights or interests therein;

11 b. Demolition of buildings; and

12 c. The clearing and grading of land;

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

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

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

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

25 (h) All or a portion of a taxing district's capital costs
26 resulting from the redevelopment project necessarily incurred or
27 to be incurred in furtherance of the objectives of the
28 redevelopment plan and project, to the extent the municipality by

1 written agreement accepts and approves such costs;

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

5 (j) Payments in lieu of taxes;

6 (17) "Retail area", a proposed redevelopment area for which
7 most of the projected tax increment financing revenue will be
8 generated from retail businesses, which shall be businesses that
9 primarily sell or offer to sell goods to a buyer primarily for
10 the buyer's personal, family, or household use and not primarily
11 for business, commercial, or agricultural use;

12 (18) "Retail infrastructure projects", highways, roads,
13 streets, bridges, sewers, traffic control systems and devices,
14 water distribution and supply systems, curbing, sidewalks, storm
15 water and drainage systems, or any other similar public
16 improvements, but in no case shall retail infrastructure projects
17 include private structures;

18 [(16)] (19) "Special allocation fund", the fund of a
19 municipality or its commission which contains at least two
20 separate segregated accounts for each redevelopment plan,
21 maintained by the treasurer of the municipality or the treasurer
22 of the commission into which payments in lieu of taxes are
23 deposited in one account, and economic activity taxes and other
24 revenues are deposited in the other account;

25 [(17)] (20) "Taxing districts", any political subdivision
26 of this state having the power to levy taxes;

27 [(18)] (21) "Taxing districts' capital costs", those costs
28 of taxing districts for capital improvements that are found by

1 the municipal governing bodies to be necessary and to directly
2 result from the redevelopment project; and

3 [(19)] (22) "Vacant land", any parcel or combination of
4 parcels of real property not used for industrial, commercial, or
5 residential buildings.

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

21 (1) The redevelopment area on the whole is a blighted area,
22 a conservation area, or an economic development area, and has not
23 been subject to growth and development through investment by
24 private enterprise and would not reasonably be anticipated to be
25 developed without the adoption of tax increment financing. Such
26 a finding shall include, but not be limited to, a study conducted
27 by a party other than the proponent of a redevelopment plan,
28 which includes a detailed description of the factors that qualify

1 the redevelopment area or project pursuant to this subdivision
2 and an affidavit, signed by the developer or developers and
3 submitted with the redevelopment plan, attesting that the
4 provisions of this subdivision have been met;

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

7 (3) The estimated dates, which shall not be more than
8 twenty-three years from the adoption of the ordinance approving a
9 redevelopment project within a redevelopment area, of completion
10 of any redevelopment project and retirement of obligations
11 incurred to finance redevelopment project costs have been stated,
12 provided that no ordinance approving a redevelopment project
13 shall be adopted later than ten years from the adoption of the
14 ordinance approving the redevelopment plan under which such
15 project is authorized and provided that no property for a
16 redevelopment project shall be acquired by eminent domain later
17 than five years from the adoption of the ordinance approving such
18 redevelopment project;

19 (4) A plan has been developed for relocation assistance for
20 businesses and residences;

21 (5) A cost-benefit analysis showing the economic impact of
22 the plan on each taxing district which is at least partially
23 within the boundaries of the redevelopment area. The analysis
24 shall show the impact on the economy if the project is not built,
25 and is built pursuant to the redevelopment plan under
26 consideration. The cost-benefit analysis shall include a fiscal
27 impact study on every affected political subdivision, and
28 sufficient information from the developer for the commission

1 established in section 99.820 to evaluate whether the project as
2 proposed is financially feasible;

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

8 2. Tax increment allocation financing shall not be adopted
9 under sections 99.800 to 99.865 in a retail area unless such
10 financing is exclusively utilized to fund retail infrastructure
11 projects or unless such area is a blighted area or conservation
12 area. The provisions of this subsection shall not apply to any
13 tax increment allocation financing project or plan approved
14 before August 28, 2020, nor to any amendment to tax increment
15 allocation financing projects and plans where such projects or
16 plans were originally approved before August 28, 2020, provided
17 that such an amendment does not add buildings of new construction
18 in excess of twenty-five percent of the scope of the original
19 redevelopment agreement.

20 3. By the last day of February each year, each commission
21 shall report to the director of economic development the name,
22 address, phone number and primary line of business of any
23 business which relocates to the district. The director of the
24 department of economic development shall compile and report the
25 same to the governor, the speaker of the house and the president
26 pro tempore of the senate on the last day of April each year.

27 99.821. Notwithstanding any provision of sections 99.800 to
28 99.865 to the contrary, redevelopment plans approved or amended

1 after December 31, 2020, by a city not within a county may
2 provide for the deposit of up to ten percent of the tax increment
3 financing revenues generated pursuant to section 99.845 into a
4 strategic infrastructure for economic growth fund established by
5 such city in lieu of deposit into the special allocation fund.
6 Moneys deposited into the strategic infrastructure for economic
7 growth fund pursuant to this section may be expended by the city
8 establishing such fund for the purpose of funding capital
9 investments in public infrastructure that the governing body of
10 such city has determined to be in a census tract that is defined
11 as a low-income community under 26 U.S.C. Section 45D(e) or is
12 eligible to be designated as a qualified opportunity zone under
13 26 U.S.C. Section 1400Z-1.

14 99.843. Notwithstanding the provisions of sections 99.800
15 to 99.865 to the contrary, no new tax increment financing project
16 shall be authorized in any greenfield area, as such term is
17 defined in section 99.805[, that is located within a city not
18 within a county or any county subject to the authority of the
19 East-West Gateway Council of Governments. Municipalities not
20 subject to the authority of the East-West Gateway Council of
21 Governments may authorize tax increment finance projects in
22 greenfield areas].

23 99.847. 1. Notwithstanding the provisions of sections
24 99.800 to 99.865 to the contrary, no new tax increment financing
25 project shall be authorized in any area which is within an area
26 designated as flood plain by the Federal Emergency Management
27 Agency [and which is located in or partly within a county with a
28 charter form of government with greater than two hundred fifty

1 thousand inhabitants but fewer than three hundred thousand
2 inhabitants, unless the redevelopment area actually abuts a river
3 or a major waterway and is substantially surrounded by contiguous
4 properties with residential, industrial, or commercial zoning
5 classifications] unless such project is located in:

6 (1) A county with a charter form of government and with
7 more than six hundred thousand but fewer than seven hundred
8 thousand inhabitants;

9 (2) A county of the first classification with more than two
10 hundred thousand but fewer than two hundred sixty thousand
11 inhabitants;

12 (3) A county of the first classification with more than
13 eighty-three thousand but fewer than ninety-two thousand
14 inhabitants and with a city of the fourth classification with
15 more than four thousand five hundred but fewer than five thousand
16 inhabitants as the county seat;

17 (4) A home rule city with more than seventy-one thousand
18 but fewer than seventy-nine thousand inhabitants;

19 (5) A home rule city with more than one hundred fifty-five
20 thousand but fewer than two hundred thousand inhabitants;

21 (6) A port district created under the provisions of chapter
22 68, provided that such financing is exclusively utilized to fund
23 a port infrastructure project that is approved by the port
24 authority; or

25 (7) A levee district created pursuant to chapter 245 or a
26 drainage district created pursuant to chapters 242 or 243 prior
27 to August 28, 2020.

28 2. This [subsection] section shall not apply to tax

1 increment financing projects or districts approved prior to [July
2 1, 2003,] June 30, 2021, and shall allow [the aforementioned]
3 such tax increment financing projects to modify, amend or expand
4 such projects including redevelopment project costs by not more
5 than forty percent of such project original projected cost
6 [including redevelopment project costs] as such projects
7 including redevelopment project costs as such projects
8 redevelopment projects [including redevelopment project costs
9 existed as of June 30, 2003, and shall allow the aforementioned
10 tax increment financing district to modify, amend or expand such
11 districts by not more than five percent as such districts existed
12 as of June 30, 2003].

13 3. The provisions of subsections 1 and 2 of this section
14 notwithstanding, no new tax increment financing project shall be
15 authorized in any area which is within an area designated as
16 flood plain by the Federal Emergency Management Agency and which
17 is located in or partly within a county with a charter form of
18 government and with more than three hundred thousand but fewer
19 than four hundred fifty thousand inhabitants, unless the
20 redevelopment area actually abuts a river or a major waterway and
21 is substantially surrounded by contiguous properties with
22 residential, industrial, or commercial zoning classifications.

23 99.848. 1. (1) Notwithstanding subsection 1 of section
24 99.845, any [district or county] ambulance district board
25 operating under chapter 190, any fire protection district board
26 operating under chapter 321, or any governing body operating a
27 911 center providing dispatch services under chapter 190 or
28 chapter 321 imposing a property tax for the purposes of providing

1 emergency services pursuant to chapter 190 or 321 shall be
2 entitled to reimbursement from the special allocation fund in the
3 amount of at least fifty percent but not more than one hundred
4 percent of the district's or 911 center's tax increment. This
5 [section] subsection shall not apply to tax increment financing
6 projects or [districts] redevelopment areas approved prior to
7 August 28, 2004.

8 [2.] (2) Beginning August 28, 2018, an ambulance district
9 board operating under chapter 190, a fire protection district
10 board operating under chapter 321, or the governing body of a
11 county operating a 911 center providing emergency or dispatch
12 services under chapter 190 or 321 imposing a property tax for the
13 purpose of providing emergency services pursuant to chapter 190
14 or 321 shall annually set the reimbursement rate under this
15 subsection [1 of this section] prior to [the time the assessment
16 is paid into the special allocation fund] November thirtieth
17 preceding the calendar year for which the annual reimbursement is
18 being set. If the redevelopment plan, area, or project is
19 amended by ordinance or by other means after August 28, 2018, the
20 ambulance or fire protection district board or the governing body
21 of a county operating a 911 center providing emergency or
22 dispatch services under chapter 190 or 321 shall have the right
23 to recalculate the reimbursement rate under this [section]
24 subdivision.

25 2. (1) Notwithstanding subsection 1 of section 99.845, any
26 ambulance district board operating under chapter 190, any fire
27 protection district operating under chapter 321, or any governing
28 body operating a 911 center imposing an economic activities tax

1 for the purposes of providing emergency services pursuant to
2 chapter 190 or 321 shall be entitled to reimbursement from the
3 special allocation fund in the amount of at least fifty percent
4 but not more than one hundred percent of the district's or 911
5 center's tax increment. This subsection shall not apply to tax
6 increment financing projects or redevelopment areas approved
7 prior to August 28, 2020.

8 (2) Beginning August 28, 2020, any ambulance district board
9 operating under chapter 190, any fire protection district
10 operating under chapter 321, or any governing body operating a
11 911 center providing dispatch services under chapter 190 or
12 chapter 321 shall annually set the reimbursement rate under this
13 subsection prior to November thirtieth preceding the calendar
14 year for which the annual reimbursement is being set. If the
15 redevelopment plan, area, or project is amended by ordinance or
16 by other means after August 28, 2020, the ambulance or fire
17 protection district board or the governing body of a county
18 operating a 911 center providing emergency or dispatch services
19 under chapter 190 or 321 shall have the right to recalculate the
20 reimbursement rate under this subdivision.