

FIRST REGULAR SESSION

SENATE BILL NO. 147

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

0959S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 99.805, 99.810, and 99.845, RSMo, and to enact in lieu thereof seven new sections relating to tax increment financing.

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

Section A. Sections 99.805, 99.810, and 99.845, RSMo, are
2 repealed and seven new sections enacted in lieu thereof, to be
3 known as sections 99.805, 99.810, 99.811, 99.812, 99.813,
4 99.814, and 99.845, to read as follows:

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

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

14 (a) **The buildings in the area are insanitary or unsafe
15 for living or working or are substantially vacant, provided
16 that the area qualifies as a distressed community under
17 section 135.530;**

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

18 (b) The level of unemployment is one and one-half
19 times greater than the average rate of unemployment for the
20 state, as averaged over the preceding twelve months; or

21 (c) The median household income is less than fifty
22 percent of the median household income of the metropolitan
23 statistical area in which the area is located, if any;

24 (2) "Collecting officer", the officer of the
25 municipality responsible for receiving and processing
26 payments in lieu of taxes or economic activity taxes from
27 taxpayers or the department of revenue;

28 (3) "Conservation area", any improved area within the
29 boundaries of a redevelopment area located within the
30 territorial limits of a municipality in which fifty percent
31 or more of the structures in the area have an age of thirty-
32 five years or more. Such an area is not yet a blighted area
33 but is detrimental to the public health, safety, morals, or
34 welfare and may become a blighted area because of any one or
35 more of the following factors: dilapidation; obsolescence;
36 deterioration; illegal use of individual structures;
37 presence of structures below minimum code standards;
38 abandonment; excessive vacancies; overcrowding of structures
39 and community facilities; lack of ventilation, light or
40 sanitary facilities; inadequate utilities; excessive land
41 coverage; deleterious land use or layout; depreciation of
42 physical maintenance; and lack of community planning. A
43 conservation area shall meet at least three of the factors
44 provided in this subdivision for projects approved on or
45 after December 23, 1997;

46 (4) "Economic activity taxes", the total additional
47 revenue from taxes which are imposed by a municipality and
48 other taxing districts, and which are generated by economic
49 activities within a redevelopment area over the amount of

50 such taxes generated by economic activities within such
51 redevelopment area in the calendar year prior to the
52 adoption of the ordinance designating such a redevelopment
53 area, while tax increment financing remains in effect, but
54 excluding personal property taxes, taxes imposed on sales or
55 charges for sleeping rooms paid by transient guests of
56 hotels and motels, licenses, fees or special assessments.
57 For redevelopment projects or redevelopment plans approved
58 after December 23, 1997, if a retail establishment relocates
59 within one year from one facility to another facility within
60 the same county and the governing body of the municipality
61 finds that the relocation is a direct beneficiary of tax
62 increment financing, then for purposes of this definition,
63 the economic activity taxes generated by the retail
64 establishment shall equal the total additional revenues from
65 economic activity taxes which are imposed by a municipality
66 or other taxing district over the amount of economic
67 activity taxes generated by the retail establishment in the
68 calendar year prior to its relocation to the redevelopment
69 area;

70 (5) "Economic development area", any area or portion
71 of an area located within the territorial limits of a
72 municipality, which does not meet the requirements of
73 subdivisions (1) and (3) of this section, and in which the
74 governing body of the municipality finds that redevelopment
75 will not be solely used for development of commercial
76 businesses which unfairly compete in the local economy and
77 is in the public interest because it will:

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

80 (b) Result in increased employment in the
81 municipality; or

82 (c) Result in preservation or enhancement of the tax
83 base of the municipality;

84 (6) "Gambling establishment", an excursion gambling
85 boat as defined in section 313.800 and any related business
86 facility including any real property improvements which are
87 directly and solely related to such business facility, whose
88 sole purpose is to provide goods or services to an excursion
89 gambling boat and whose majority ownership interest is held
90 by a person licensed to conduct gambling games on an
91 excursion gambling boat or licensed to operate an excursion
92 gambling boat as provided in sections 313.800 to 313.850.
93 This subdivision shall be applicable only to a redevelopment
94 area designated by ordinance adopted after December 23, 1997;

95 (7) "Greenfield area", any vacant, unimproved, or
96 agricultural property that is located wholly outside the
97 incorporated limits of a city, town, or village, or that is
98 substantially surrounded by contiguous properties with
99 agricultural zoning classifications or uses unless said
100 property was annexed into the incorporated limits of a city,
101 town, or village ten years prior to the adoption of the
102 ordinance approving the redevelopment plan for such
103 greenfield area;

104 (8) **"High unemployment"**, as averaged over the
105 preceding twelve months, if in a metropolitan statistical
106 area, an unemployment rate at least one and one-half times
107 that of such metropolitan statistical area or, if not in a
108 metropolitan statistical area, an unemployment rate at least
109 one and one-half times the unemployment rate of
110 nonmetropolitan counties;

111 (9) **"Low fiscal capacity"**, a per capita assessed
112 valuation of property in the municipality of less than sixty
113 percent of the entire county in which it is located or, if

114 an unincorporated area, a per capita assessed valuation of
115 property in the school district of less than sixty percent
116 of the entire county in which it is located;

117 (10) "Moderate income", according to the last
118 decennial census:

119 (a) If in a municipality in a metropolitan statistical
120 area with a population of at least one thousand five hundred
121 inhabitants, a median household income of under fifty
122 percent of the median household income for the metropolitan
123 statistical area;

124 (b) If in a census block group or a contiguous group
125 of block groups within a metropolitan statistical area with
126 a population of at least one thousand five hundred
127 inhabitants, a median household income of under fifty
128 percent of the median household income for the metropolitan
129 statistical area;

130 (c) If in a municipality not within a metropolitan
131 statistical area, a median household income of under sixty
132 percent of the median household income for the
133 nonmetropolitan areas of this state; or

134 (d) If in a census block group or a contiguous group
135 of block groups with a population of at least one thousand
136 five hundred inhabitants, a median household income of under
137 sixty percent of the median household income for the
138 nonmetropolitan areas of this state;

139 (11) "Municipality", a city, village, or incorporated
140 town or any county of this state. For redevelopment areas
141 or projects approved on or after December 23, 1997,
142 municipality applies only to cities, villages, incorporated
143 towns or counties established for at least one year prior to
144 such date;

145 **[(9)] (12) "New job", a job in a new or expanding**
146 **redevelopment project that is not a job of a recalled**
147 **worker, a replacement job, or a job that existed in the same**
148 **industry in the area;**

149 **(13) "Obligations", bonds, loans, debentures, notes,**
150 **special certificates, or other evidences of indebtedness**
151 **issued by a municipality to carry out a redevelopment**
152 **project or to refund outstanding obligations;**

153 **[(10)] (14) "Ordinance", an ordinance enacted by the**
154 **governing body of a city, town, or village or a county or an**
155 **order of the governing body of a county whose governing body**
156 **is not authorized to enact ordinances;**

157 **[(11)] (15) "Payment in lieu of taxes", those**
158 **estimated revenues from real property in the area selected**
159 **for a redevelopment project, which revenues according to the**
160 **redevelopment project or plan are to be used for a private**
161 **use, which taxing districts would have received had a**
162 **municipality not adopted tax increment allocation financing,**
163 **and which would result from levies made after the time of**
164 **the adoption of tax increment allocation financing during**
165 **the time the current equalized value of real property in the**
166 **area selected for the redevelopment project exceeds the**
167 **total initial equalized value of real property in such area**
168 **until the designation is terminated pursuant to subsection 2**
169 **of section 99.850;**

170 **[(12)] (16) "Redevelopment area", an area designated**
171 **by a municipality, in respect to which the municipality has**
172 **made a finding that there exist conditions which cause the**
173 **area to be classified as a blighted area, a conservation**
174 **area, an economic development area, an enterprise zone**
175 **pursuant to sections 135.200 to 135.256, or a combination**
176 **thereof, which area includes only those parcels of real**

177 property directly and substantially benefitted by the
178 proposed redevelopment project;

179 **[(13)] (17)** "Redevelopment plan", the comprehensive
180 program of a municipality for redevelopment intended by the
181 payment of redevelopment costs to reduce or eliminate those
182 conditions, the existence of which qualified the
183 redevelopment area as a blighted area, conservation area,
184 economic development area, or combination thereof, and to
185 thereby enhance the tax bases of the taxing districts which
186 extend into the redevelopment area. Each redevelopment plan
187 shall conform to the requirements of section 99.810;

188 **[(14)] (18)** "Redevelopment project", any development
189 project within a redevelopment area in furtherance of the
190 objectives of the redevelopment plan; any such redevelopment
191 project shall include a legal description of the area
192 selected for the redevelopment project;

193 **[(15)] (19)** "Redevelopment project costs" include the
194 sum total of all reasonable or necessary costs incurred or
195 estimated to be incurred, and any such costs incidental to a
196 redevelopment plan or redevelopment project, as applicable.
197 Such costs include, but are not limited to, the following:

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

200 (b) Professional service costs, including, but not
201 limited to, architectural, engineering, legal, marketing,
202 financial, planning or special services. Except the
203 reasonable costs incurred by the commission established in
204 section 99.820 for the administration of sections 99.800 to
205 99.865, such costs shall be allowed only as an initial
206 expense which, to be recoverable, shall be included in the
207 costs of a redevelopment plan or project;

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

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

212 b. Demolition of buildings; and

213 c. The clearing and grading of land;

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

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

217 (f) Costs of construction of public works or
218 improvements;

219 (g) Financing costs, including, but not limited to,

220 all necessary and incidental expenses related to the

221 issuance of obligations, and which may include payment

222 interest on any obligations issued pursuant to sections

223 99.800 to 99.865 accruing during the estimated period of
224 construction of any redevelopment project for which such
225 obligations are issued and for not more than eighteen months
226 thereafter, and including reasonable reserves related
227 thereto;

228 (h) All or a portion of a taxing district's capital
229 costs resulting from the redevelopment project necessarily
230 incurred or to be incurred in furtherance of the objectives
231 of the redevelopment plan and project, to the extent the
232 municipality by written agreement accepts and approves such
233 costs;

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

237 (j) Payments in lieu of taxes;

238 [(16)] (20) "Special allocation fund", the fund of a
239 municipality or its commission which contains at least two

240 separate segregated accounts for each redevelopment plan,
241 maintained by the treasurer of the municipality or the
242 treasurer of the commission into which payments in lieu of
243 taxes are deposited in one account, and economic activity
244 taxes and other revenues are deposited in the other account;

245 **[(17)] (21)** "Taxing districts", any political
246 subdivision of this state having the power to levy taxes;

247 **[(18)] (22)** "Taxing districts' capital costs", those
248 costs of taxing districts for capital improvements that are
249 found by the municipal governing bodies to be necessary and
250 to directly result from the redevelopment project; and

251 **[(19)] (23)** "Vacant land", any parcel or combination
252 of parcels of real property not used for industrial,
253 commercial, or residential buildings.

99.810. 1. Each redevelopment plan shall set forth in
2 writing a general description of the program to be
3 undertaken to accomplish the objectives and shall include,
4 but need not be limited to, the estimated redevelopment
5 project costs, the anticipated sources of funds to pay the
6 costs, evidence of the commitments to finance the project
7 costs, the anticipated type and term of the sources of funds
8 to pay costs, the anticipated type and terms of the
9 obligations to be issued, the most recent equalized assessed
10 valuation of the property within the redevelopment area
11 which is to be subjected to payments in lieu of taxes and
12 economic activity taxes pursuant to section 99.845, an
13 estimate as to the equalized assessed valuation after
14 redevelopment, and the general land uses to apply in the
15 redevelopment area. **Sources of funds shall include, but not**
16 **be limited to, any federal, state, county, or municipal tax**
17 **credits; any reduced tax rates; and any other calculable**
18 **compensation, including discounts or donations on the**

19 **purchase of land.** No redevelopment plan shall be adopted by
20 a municipality without findings that:

21 (1) The redevelopment area on the whole is a blighted
22 area, a conservation area, or an economic development area,
23 and has not been subject to growth and development through
24 investment by private enterprise and would not reasonably be
25 anticipated to be developed without the adoption of tax
26 increment financing. Such a finding shall include, but not
27 be limited to, a detailed description of the factors that
28 qualify the redevelopment area or project pursuant to this
29 subdivision and an affidavit, signed by the developer or
30 developers and submitted with the redevelopment plan,
31 attesting that the provisions of this subdivision have been
32 met. **Such finding shall also include a study stating that**
records were reviewed, inspections were made, comparisons
were made, and tasks were undertaken that demonstrate the
property was not developed through private enterprise over
time. Such a study shall be signed by a party that assumes
responsibility for the study's representations. The study
shall be of sufficient specificity to allow representatives
of the tax increment financing commission and municipality
to confirm its findings;

41 (2) The redevelopment plan conforms to the
42 comprehensive plan for the development of the municipality
43 as a whole;

44 (3) The estimated dates, which shall not be more than
45 twenty-three years from the adoption of the ordinance
46 approving a redevelopment project within a redevelopment
47 area, of completion of any redevelopment project and
48 retirement of obligations incurred to finance redevelopment
49 project costs have been stated, provided that no ordinance
50 approving a redevelopment project shall be adopted later

51 than ten years from the adoption of the ordinance approving
52 the redevelopment plan under which such project is
53 authorized and provided that no property for a redevelopment
54 project shall be acquired by eminent domain later than five
55 years from the adoption of the ordinance approving such
56 redevelopment project;

57 (4) A plan has been developed for relocation
58 assistance for businesses and residences;

59 (5) A cost-benefit analysis showing the economic
60 impact of the plan on each taxing district which is at least
61 partially within the boundaries of the redevelopment area.

62 The analysis shall show the impact on the economy if the
63 project is not built, and is built pursuant to the
64 redevelopment plan under consideration. The cost-benefit
65 analysis shall include a fiscal impact study on every
66 affected political subdivision, and sufficient information
67 from the developer for the commission established in section
68 99.820 to evaluate whether the project as proposed is
69 financially feasible;

70 (6) A finding that the plan does not include the
71 initial development or redevelopment of any gambling
72 establishment, provided however, that this subdivision shall
73 be applicable only to a redevelopment plan adopted for a
74 redevelopment area designated by ordinance after December
75 23, 1997; **and**

76 (7) **An economic feasibility analysis that includes a**
77 **financial statement indicating whether a return on**
78 **investment is expected without public assistance. The**
79 **financial statement shall include any assumptions made and a**
80 **statement analysis estimating the amount of assistance**
81 **needed to make the return on investment attractive to**
82 **private investors.**

83 2. By the last day of February each year, each
84 commission shall report to the director of economic
85 development the name, address, phone number and primary line
86 of business of any business which relocates to the
87 district. The director of the department of economic
88 development shall compile and report the same to the
89 governor, the speaker of the house and the president pro
90 tempore of the senate on the last day of April each year.

99.811. 1. **Any redevelopment project consisting**
2 **solely of public infrastructure improvements on public land**
3 **that requires no more than two million dollars in tax**
4 **increment financing and that will pay off its bonds within**
5 **seven years or less shall be exempt from the provisions of**
6 **section 99.866. However, no stringing of projects shall be**
7 **allowed. No exempt project under this section shall be**
8 **combined with another exempt project under this section for**
9 **a period of five years.**

10 2. Any redevelopment project for which eligible
11 project redevelopment costs are to be paid with only revenue
12 from the portion of total economic activity taxes and
13 payments in lieu of taxes imposed by the municipality and
14 not with real or potential revenues from other taxing
15 jurisdictions shall be exempt from the provisions of section
16 99.866.

99.812. Beginning the first fiscal year in which a
2 municipality receives payments in lieu of taxes from a
3 redevelopment project and ending the last fiscal year in
4 which the municipality receives such payments, the
5 municipality shall pay an amount equal to twenty-five
6 percent of such payments in lieu of taxes to all other
7 taxing entities that are entitled to receive revenue from
8 levies on real property in such municipality. Such amount

9 shall be distributed among the other taxing entities in
10 proportion to the collections of revenue from real property
11 in the development area to which each such taxing district
12 is entitled during that tax year. If a tax increment
13 financing project includes residential uses, real property
14 tax levies attributable to the residential portion of the
15 development shall be distributed to the local school
16 district or districts, absent the affected school board or
17 boards issuing a recommendation to the contrary.

99.813. 1. The municipality and the developer shall
2 annually submit information to the department of economic
3 development regarding the approved plan.

4 2. The department shall establish reporting
5 requirements and may promulgate other rules to implement the
6 provisions of this section. Any rule or portion of a rule,
7 as that term is defined in section 536.010, that is created
8 under the authority delegated in this section shall become
9 effective only if it complies with and is subject to all of
10 the provisions of chapter 536 and, if applicable, section
11 536.028. This section and chapter 536 are nonseverable, and
12 if any of the powers vested with the general assembly
13 pursuant to chapter 536 to review, to delay the effective
14 date, or to disapprove and annul a rule are subsequently
15 held unconstitutional, then the grant of rulemaking
16 authority and any rule proposed or adopted after August 28,
17 2021, shall be invalid and void.

18 3. The department shall submit a report to the
19 governor and the general assembly by April thirtieth of each
20 year. At a minimum, the report shall identify the number
21 and location of redevelopment areas; quantify public
22 investment in each redevelopment area; assess the public
23 benefit, as quantified by tax revenue and net new job

24 creation; and state the economic impact of each
25 redevelopment project on each taxing district at least
26 partially within the boundaries of the redevelopment
27 project's redevelopment area.

99.814. A redevelopment district providing emergency
2 services under chapter 190 or 321 shall be entitled to
3 reimbursement from the special allocation fund for direct
4 costs. However, such reimbursement shall not be less than
5 twenty-five percent or more than one hundred percent of the
6 revenue received from the redevelopment district's tax
7 increment financing. This section shall only apply to a
8 redevelopment district located in:

9 (1) Any city not within a county;
10 (2) Any county with a charter form of government and
11 with more than nine hundred fifty thousand inhabitants;

12 (3) Any county with a charter form of government and
13 with more than two hundred thousand but fewer than three
14 hundred fifty thousand inhabitants;

15 (4) Any county of the third classification without a
16 township form of government and with more than twenty-nine
17 thousand but fewer than thirty-three thousand inhabitants
18 and with a city of the fourth classification with more than
19 seven thousand but fewer than eight thousand inhabitants as
20 the county seat;

21 (5) Any county with a charter form of government and
22 with more than three hundred thousand but fewer than four
23 hundred fifty thousand inhabitants;

24 (6) Any county of the first classification with more
25 than one hundred one thousand but fewer than one hundred
26 fifteen thousand inhabitants;

27 (7) Any county of the third classification without a
28 township form of government and with more than twenty-three

29 thousand but fewer than twenty-six thousand inhabitants with
30 a city of the fourth classification with more than one
31 thousand five hundred but fewer than one thousand seven
32 hundred inhabitants as the county seat;

33 (8) Any county of the second classification with more
34 than fifty thousand but fewer than fifty-eight thousand
35 inhabitants;

36 (9) Any county of the first classification with more
37 than sixty-five thousand but fewer than seventy-five
38 thousand inhabitants and with a county seat with more than
39 fifteen thousand but fewer than seventeen thousand
40 inhabitants;

41 (10) Any county of the third classification without a
42 township form of government and with more than eighteen
43 thousand but fewer than twenty thousand inhabitants and with
44 a city of the fourth classification with more than four
45 thousand but fewer than four thousand five hundred
46 inhabitants as the county seat; or

47 (11) Any county of the third classification without a
48 township form of government and with more than twenty-three
49 thousand but fewer than twenty-six thousand inhabitants and
50 with a city of the fourth classification with more than two
51 thousand four hundred but fewer than two thousand seven
52 hundred inhabitants as the county seat.

99.845. 1. A municipality, either at the time a
2 redevelopment project is approved or, in the event a
3 municipality has undertaken acts establishing a
4 redevelopment plan and redevelopment project and has
5 designated a redevelopment area after the passage and
6 approval of sections 99.800 to 99.865 but prior to August
7 13, 1982, which acts are in conformance with the procedures
8 of sections 99.800 to 99.865, may adopt tax increment

9 allocation financing by passing an ordinance providing that
10 after the total equalized assessed valuation of the taxable
11 real property in a redevelopment project exceeds the
12 certified total initial equalized assessed valuation of the
13 taxable real property in the redevelopment project, the ad
14 valorem taxes, and payments in lieu of taxes, if any,
15 arising from the levies upon taxable real property in such
16 redevelopment project by taxing districts and tax rates
17 determined in the manner provided in subsection 2 of section
18 99.855 each year after the effective date of the ordinance
19 until redevelopment costs have been paid shall be divided as
20 follows:

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

31 (2) (a) Payments in lieu of taxes attributable to the
32 increase in the current equalized assessed valuation of each
33 taxable lot, block, tract, or parcel of real property in the
34 area selected for the redevelopment project and any
35 applicable penalty and interest over and above the initial
36 equalized assessed value of each such unit of property in
37 the area selected for the redevelopment project shall be
38 allocated to and, when collected, shall be paid to the
39 municipal treasurer who shall deposit such payment in lieu
40 of taxes into a special fund called the "Special Allocation

41 Fund" of the municipality for the purpose of paying
42 redevelopment costs and obligations incurred in the payment
43 thereof. Beginning August 28, 2014, if the voters in a
44 taxing district vote to approve an increase in such taxing
45 district's levy rate for ad valorem tax on real property,
46 any additional revenues generated within an existing
47 redevelopment project area that are directly attributable to
48 the newly voter-approved incremental increase in such taxing
49 district's levy rate shall not be considered payments in
50 lieu of taxes subject to deposit into a special allocation
51 fund without the consent of such taxing district. Revenues
52 will be considered directly attributable to the newly voter-
53 approved incremental increase to the extent that they are
54 generated from the difference between the taxing district's
55 actual levy rate currently imposed and the maximum voter-
56 approved levy rate at the time that the redevelopment
57 project was adopted. Payments in lieu of taxes which are
58 due and owing shall constitute a lien against the real
59 estate of the redevelopment project from which they are
60 derived and shall be collected in the same manner as the
61 real property tax, including the assessment of penalties and
62 interest where applicable. The municipality may, in the
63 ordinance, pledge the funds in the special allocation fund
64 for the payment of such costs and obligations and provide
65 for the collection of payments in lieu of taxes, the lien of
66 which may be foreclosed in the same manner as a special
67 assessment lien as provided in section 88.861. No part of
68 the current equalized assessed valuation of each lot, block,
69 tract, or parcel of property in the area selected for the
70 redevelopment project attributable to any increase above the
71 total initial equalized assessed value of such properties
72 shall be used in calculating the general state school aid

73 formula provided for in section 163.031 until such time as
74 all redevelopment costs have been paid as provided for in
75 this section and section 99.850.

76 (b) Notwithstanding any provisions of this section to
77 the contrary, for purposes of determining the limitation on
78 indebtedness of local government pursuant to Article VI,
79 Section 26(b) of the Missouri Constitution, the current
80 equalized assessed value of the property in an area selected
81 for redevelopment attributable to the increase above the
82 total initial equalized assessed valuation shall be included
83 in the value of taxable tangible property as shown on the
84 last completed assessment for state or county purposes.

85 (c) The county assessor shall include the current
86 assessed value of all property within the taxing district in
87 the aggregate valuation of assessed property entered upon
88 the assessor's book and verified pursuant to section
89 137.245, and such value shall be utilized for the purpose of
90 the debt limitation on local government pursuant to Article
91 VI, Section 26(b) of the Missouri Constitution;

92 (3) For purposes of this section, "levies upon taxable
93 real property in such redevelopment project by taxing
94 districts" shall not include the blind pension fund tax
95 levied under the authority of Article III, Section 38(b) of
96 the Missouri Constitution, or the merchants' and
97 manufacturers' inventory replacement tax levied under the
98 authority of subsection 2 of Section 6 of Article X of the
99 Missouri Constitution, except in redevelopment project areas
100 in which tax increment financing has been adopted by
101 ordinance pursuant to a plan approved by vote of the
102 governing body of the municipality taken after August 13,
103 1982, and before January 1, 1998.

104 2. In addition to the payments in lieu of taxes
105 described in subdivision (2) of subsection 1 of this
106 section, for redevelopment plans and projects adopted or
107 redevelopment projects approved by ordinance after July 12,
108 1990, and prior to August 31, 1991, fifty percent of the
109 total additional revenue from taxes, penalties and interest
110 imposed by the municipality, or other taxing districts,
111 which are generated by economic activities within the area
112 of the redevelopment project over the amount of such taxes
113 generated by economic activities within the area of the
114 redevelopment project in the calendar year prior to the
115 adoption of the redevelopment project by ordinance, while
116 tax increment financing remains in effect, but excluding
117 taxes imposed on sales or charges for sleeping rooms paid by
118 transient guests of hotels and motels, taxes levied pursuant
119 to section 70.500, licenses, fees or special assessments
120 other than payments in lieu of taxes and any penalty and
121 interest thereon, or, effective January 1, 1998, taxes
122 levied pursuant to section 94.660, for the purpose of public
123 transportation, shall be allocated to, and paid by the local
124 political subdivision collecting officer to the treasurer or
125 other designated financial officer of the municipality, who
126 shall deposit such funds in a separate segregated account
127 within the special allocation fund. Any provision of an
128 agreement, contract or covenant entered into prior to July
129 12, 1990, between a municipality and any other political
130 subdivision which provides for an appropriation of other
131 municipal revenues to the special allocation fund shall be
132 and remain enforceable.

133 3. In addition to the payments in lieu of taxes
134 described in subdivision (2) of subsection 1 of this
135 section, for redevelopment plans and projects adopted or

136 redevelopment projects approved by ordinance after August
137 31, 1991, fifty percent of the total additional revenue from
138 taxes, penalties and interest which are imposed by the
139 municipality or other taxing districts, and which are
140 generated by economic activities within the area of the
141 redevelopment project over the amount of such taxes
142 generated by economic activities within the area of the
143 redevelopment project in the calendar year prior to the
144 adoption of the redevelopment project by ordinance, while
145 tax increment financing remains in effect, but excluding
146 personal property taxes, taxes imposed on sales or charges
147 for sleeping rooms paid by transient guests of hotels and
148 motels, taxes levied pursuant to section 70.500, taxes
149 levied for the purpose of public transportation pursuant to
150 section 94.660, taxes imposed on sales pursuant to
151 subsection 2 of section 67.1712 for the purpose of operating
152 and maintaining a metropolitan park and recreation district,
153 licenses, fees or special assessments other than payments in
154 lieu of taxes and penalties and interest thereon, any sales
155 tax imposed by a county with a charter form of government
156 and with more than six hundred thousand but fewer than seven
157 hundred thousand inhabitants, for the purpose of sports
158 stadium improvement or levied by such county under section
159 238.410 for the purpose of the county transit authority
160 operating transportation facilities, or for redevelopment
161 plans and projects adopted or redevelopment projects
162 approved by ordinance after August 28, 2013, taxes imposed
163 on sales under and pursuant to section 67.700 or 650.399 for
164 the purpose of emergency communication systems, shall be
165 allocated to, and paid by the local political subdivision
166 collecting officer to the treasurer or other designated
167 financial officer of the municipality, who shall deposit

168 such funds in a separate segregated account within the
169 special allocation fund. Beginning August 28, 2014, if the
170 voters in a taxing district vote to approve an increase in
171 such taxing district's sales tax or use tax, other than the
172 renewal of an expiring sales or use tax, any additional
173 revenues generated within an existing redevelopment project
174 area that are directly attributable to the newly voter-
175 approved incremental increase in such taxing district's levy
176 rate shall not be considered economic activity taxes subject
177 to deposit into a special allocation fund without the
178 consent of such taxing district.

179 4. Beginning January 1, 1998, for redevelopment plans
180 and projects adopted or redevelopment projects approved by
181 ordinance and which have complied with subsections 4 to 12
182 of this section, in addition to the payments in lieu of
183 taxes and economic activity taxes described in subsections
184 1, 2 and 3 of this section, up to fifty percent of the new
185 state revenues, as defined in subsection 8 of this section,
186 estimated for the businesses within the project area and
187 identified by the municipality in the application required
188 by subsection 10 of this section, over and above the amount
189 of such taxes reported by businesses within the project area
190 as identified by the municipality in their application prior
191 to the approval of the redevelopment project by ordinance,
192 while tax increment financing remains in effect, may be
193 available for appropriation by the general assembly as
194 provided in subsection 10 of this section to the department
195 of economic development supplemental tax increment financing
196 fund, from the general revenue fund, for distribution to the
197 treasurer or other designated financial officer of the
198 municipality with approved plans or projects.

199 5. The treasurer or other designated financial officer
200 of the municipality with approved plans or projects shall
201 deposit such funds in a separate segregated account within
202 the special allocation fund established pursuant to section
203 99.805.

204 6. No transfer from the general revenue fund to the
205 Missouri supplemental tax increment financing fund shall be
206 made unless an appropriation is made from the general
207 revenue fund for that purpose. No municipality shall commit
208 any state revenues prior to an appropriation being made for
209 that project. For all redevelopment plans or projects
210 adopted or approved after December 23, 1997, appropriations
211 from the new state revenues shall not be distributed from
212 the Missouri supplemental tax increment financing fund into
213 the special allocation fund unless the municipality's
214 redevelopment plan ensures that one hundred percent of
215 payments in lieu of taxes and fifty percent of economic
216 activity taxes generated by the project shall be used for
217 eligible redevelopment project costs while tax increment
218 financing remains in effect. This account shall be separate
219 from the account into which payments in lieu of taxes are
220 deposited, and separate from the account into which economic
221 activity taxes are deposited.

222 7. In order for the redevelopment plan or project to
223 be eligible to receive the revenue described in subsection 4
224 of this section, the municipality shall comply with the
225 requirements of subsection 10 of this section prior to the
226 time the project or plan is adopted or approved by
227 ordinance. The director of the department of economic
228 development and the commissioner of the office of
229 administration may waive the requirement that the
230 municipality's application be submitted prior to the

231 redevelopment plan's or project's adoption or the
232 redevelopment plan's or project's approval by ordinance.

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

235 (1) The incremental increase in the general revenue
236 portion of state sales tax revenues received pursuant to
237 section 144.020, excluding sales taxes that are
238 constitutionally dedicated, taxes deposited to the school
239 district trust fund in accordance with section 144.701,
240 sales and use taxes on motor vehicles, trailers, boats and
241 outboard motors and future sales taxes earmarked by law. In
242 no event shall the incremental increase include any amounts
243 attributable to retail sales unless the municipality or
244 authority has proven to the Missouri development finance
245 board and the department of economic development and such
246 entities have made a finding that the sales tax increment
247 attributable to retail sales is from new sources which did
248 not exist in the state during the baseline year. The
249 incremental increase in the general revenue portion of state
250 sales tax revenues for an existing or relocated facility
251 shall be the amount that current state sales tax revenue
252 exceeds the state sales tax revenue in the base year as
253 stated in the redevelopment plan as provided in subsection
254 10 of this section; or

255 (2) The state income tax withheld on behalf of new
256 employees by the employer pursuant to section 143.221 at the
257 business located within the project as identified by the
258 municipality. The state income tax withholding allowed by
259 this section shall be the municipality's estimate of the
260 amount of state income tax withheld by the employer within
261 the redevelopment area for new employees who fill new jobs
262 directly created by the tax increment financing project.

263 9. Subsection 4 of this section shall apply only to
264 the following:

265 (1) Blighted areas located in enterprise zones,
266 pursuant to sections 135.200 to 135.256, blighted areas
267 located in federal empowerment zones, or to blighted areas
268 located in central business districts or urban core areas of
269 cities which districts or urban core areas at the time of
270 approval of the project by ordinance, provided that the
271 enterprise zones, federal empowerment zones or blighted
272 areas contained one or more buildings at least fifty years
273 old; and

274 (a) Suffered from generally declining population or
275 property taxes over the twenty-year period immediately
276 preceding the area's designation as a project area by
277 ordinance; or

278 (b) Was a historic hotel located in a county of the
279 first classification without a charter form of government
280 with a population according to the most recent federal
281 decennial census in excess of one hundred fifty thousand and
282 containing a portion of a city with a population according
283 to the most recent federal decennial census in excess of
284 three hundred fifty thousand;

285 (2) Blighted areas consisting solely of the site of a
286 former automobile manufacturing plant located in any county
287 with a charter form of government and with more than nine
288 hundred fifty thousand inhabitants. For the purposes of
289 this section, "former automobile manufacturing plant" means
290 a redevelopment area containing a minimum of one hundred
291 acres, and such redevelopment area was previously used
292 primarily for the manufacture of automobiles but ceased such
293 manufacturing after the 2007 calendar year; [or]

294 (3) Blighted areas consisting solely of the site of a
295 former insurance company national service center containing
296 a minimum of one hundred acres located in any county with a
297 charter form of government and with more than nine hundred
298 fifty thousand inhabitants; **or**

299 (4) Blighted areas located in a distressed community,
300 as that term is defined under section 135.530.

301 10. The initial appropriation of up to fifty percent
302 of the new state revenues authorized pursuant to subsection
303 4 of this section shall not be made to or distributed by the
304 department of economic development to a municipality until
305 all of the following conditions have been satisfied:

306 (1) The director of the department of economic
307 development or his or her designee and the commissioner of
308 the office of administration or his or her designee have
309 approved a tax increment financing application made by the
310 municipality for the appropriation of the new state
311 revenues. The municipality shall include in the application
312 the following items in addition to the items in section
313 99.810:

314 (a) The tax increment financing district or
315 redevelopment area, including the businesses identified
316 within the redevelopment area;

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

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

326 (d) The official statement of any bond issue pursuant
327 to this subsection after December 23, 1997;

328 (e) An affidavit that is signed by the developer or
329 developers attesting that the provisions of subdivision (1)
330 of subsection 1 of section 99.810 have been met and
331 specifying that the redevelopment area would not be
332 reasonably anticipated to be developed without the
333 appropriation of the new state revenues;

334 (f) The cost-benefit analysis required by section
335 99.810 includes a study of the fiscal impact on the state of
336 Missouri;

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

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

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

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

349 (k) The estimated development project costs;

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

352 (m) Evidence of the commitments to finance such
353 development project costs;

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

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

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

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

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

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

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

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

373 (v) The total number of individuals employed in this
374 state by the corporate parent of any business benefitting
375 from public expenditures in the development area, and all
376 subsidiaries thereof, as of December thirty-first of the
377 prior fiscal year, broken down by full-time, part-time, and
378 temporary positions;

379 (w) The number of new jobs to be created by any
380 business benefitting from public expenditures in the
381 development area, broken down by full-time, part-time, and
382 temporary positions;

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

386 (y) For project sites located in a metropolitan
387 statistical area, as defined by the federal Office of
388 Management and Budget, the average hourly wage paid to
389 nonmanagerial employees in this state for the industries

390 involved at the project, as established by the United States
391 Bureau of Labor Statistics;

392 (z) For project sites located outside of metropolitan
393 statistical areas, the average weekly wage paid to
394 nonmanagerial employees in the county for industries
395 involved at the project, as established by the United States
396 Department of Commerce;

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

399 (bb) A list of all development subsidies that any
400 business benefitting from public expenditures in the
401 development area has previously received for the project,
402 and the name of any other granting body from which such
403 subsidies are sought;

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

409 (dd) A statement as to whether the development project
410 may reduce employment at any other site, within or without
411 the state, resulting from automation, merger, acquisition,
412 corporate restructuring, relocation, or other business
413 activity;

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

418 (ff) A list of competing businesses in the county
419 containing the development area and in each contiguous
420 county;

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

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

424 (2) The methodologies used in the application for
425 determining the base year and determining the estimate of
426 the incremental increase in the general revenue portion of
427 the state sales tax revenues or the state income tax
428 withheld by employers on behalf of new employees who fill
429 new jobs created in the redevelopment area shall be approved
430 by the director of the department of economic development or
431 his or her designee and the commissioner of the office of
432 administration or his or her designee. Upon approval of the
433 application, the director of the department of economic
434 development or his or her designee and the commissioner of
435 the office of administration or his or her designee shall
436 issue a certificate of approval. The department of economic
437 development may request the appropriation following
438 application approval;

439 (3) The appropriation shall be either a portion of the
440 estimate of the incremental increase in the general revenue
441 portion of state sales tax revenues in the redevelopment
442 area or a portion of the estimate of the state income tax
443 withheld by the employer on behalf of new employees who fill
444 new jobs created in the redevelopment area as indicated in
445 the municipality's application, approved by the director of
446 the department of economic development or his or her
447 designee and the commissioner of the office of
448 administration or his or her designee. At no time shall the
449 annual amount of the new state revenues approved for
450 disbursements from the Missouri supplemental tax increment
451 financing fund for redevelopment projects approved prior to
452 August 28, 2018, exceed thirty-two million dollars;
453 provided, however, that such thirty-two million dollar cap

454 shall not apply to redevelopment plans or projects initially
455 listed by name in the applicable appropriations bill after
456 August 28, 2015, which involve:

457 (a) A former automobile manufacturing plant;
458 (b) The retention of a federal employer employing over
459 two thousand geospatial intelligence jobs; or
460 (c) A health information technology employer employing
461 over seven thousand employees in the state of Missouri and
462 which is estimated to create in excess of fifteen thousand
463 new jobs with an average annual wage of more than seventy-
464 five thousand dollars.

465 At no time shall the annual amount of the new state revenues
466 for disbursements from the Missouri supplemental tax
467 increment financing fund for redevelopment plans and
468 projects eligible under the provisions of paragraph (a) of
469 this subdivision exceed four million dollars in the
470 aggregate. At no time shall the annual amount of the new
471 state revenues for disbursements from the Missouri
472 supplemental tax increment financing fund for redevelopment
473 plans and projects eligible under the provisions of
474 paragraph (b) of this subdivision exceed twelve million
475 dollars in the aggregate. To the extent a redevelopment
476 plan or project independently meets the eligibility criteria
477 set forth in both paragraphs (a) and (b) of this
478 subdivision, then at no such time shall the annual amount of
479 new state revenues for disbursements from the Missouri
480 supplemental tax increment financing fund for such eligible
481 redevelopment plan or project exceed twelve million dollars
482 in the aggregate;

483 (4) At no time shall the annual amount of the new
484 state revenues approved for disbursements from the Missouri

485 supplemental tax increment financing fund for redevelopment
486 plans or projects approved on or after August 28, 2018, and
487 before August 28, 2028, be increased by or exceed ten
488 million dollars. Any individual redevelopment plan or
489 project approved prior to August 28, 2018, which is expanded
490 with buildings of new construction shall not be increased by
491 more than three million dollars annually in excess of the
492 original previously approved maximum annual projected
493 amount. At no time shall the annual amount of the new state
494 revenues approved for disbursements from the Missouri
495 supplemental tax increment financing fund for redevelopment
496 plans or projects approved on or after August 28, 2028,
497 exceed twenty million dollars; provided, however, that such
498 ceilings shall not apply to redevelopment plans or projects
499 exempted from such ceilings under subdivision (3) of this
500 subsection. For all redevelopment plans or projects
501 initially approved on or after August 28, 2018, at no time
502 shall a single redevelopment plan or project within such
503 redevelopment plan receive an appropriation under this
504 section that exceeds three million dollars annually;

505 (5) Redevelopment plans and projects receiving new
506 state revenues shall have a duration of up to fifteen years,
507 unless prior approval for a longer term is given by the
508 director of the department of economic development or his or
509 her designee and the commissioner of the office of
510 administration or his or her designee; except that, in no
511 case shall the duration exceed twenty-three years.

512 11. In addition to the areas authorized in subsection
513 9 of this section, the funding authorized pursuant to
514 subsection 4 of this section shall also be available in a
515 federally approved levee district, where construction of a
516 levee begins after December 23, 1997, and which is contained

517 within a county of the first classification without a
518 charter form of government with a population between fifty
519 thousand and one hundred thousand inhabitants which contains
520 all or part of a city with a population in excess of four
521 hundred thousand or more inhabitants.

522 12. There is hereby established within the state
523 treasury a special fund to be known as the "Missouri
524 Supplemental Tax Increment Financing Fund", to be
525 administered by the department of economic development. The
526 department shall annually distribute from the Missouri
527 supplemental tax increment financing fund the amount of the
528 new state revenues as appropriated as provided in the
529 provisions of subsection 4 of this section if and only if
530 the conditions of subsection 10 of this section are met.
531 The fund shall also consist of any gifts, contributions,
532 grants or bequests received from federal, private or other
533 sources. Moneys in the Missouri supplemental tax increment
534 financing fund shall be disbursed per project pursuant to
535 state appropriations.

536 13. Redevelopment project costs may include, at the
537 prerogative of the state, the portion of salaries and
538 expenses of the department of economic development and the
539 department of revenue reasonably allocable to each
540 redevelopment project approved for disbursements from the
541 Missouri supplemental tax increment financing fund for the
542 ongoing administrative functions associated with such
543 redevelopment project. Such amounts shall be recovered from
544 new state revenues deposited into the Missouri supplemental
545 tax increment financing fund created under this section.

546 14. For redevelopment plans or projects approved by
547 ordinance that result in net new jobs from the relocation of
548 a national headquarters from another state to the area of

549 the redevelopment project, the economic activity taxes and
550 new state tax revenues shall not be based on a calculation
551 of the incremental increase in taxes as compared to the base
552 year or prior calendar year for such redevelopment project,
553 rather the incremental increase shall be the amount of total
554 taxes generated from the net new jobs brought in by the
555 national headquarters from another state. In no event shall
556 this subsection be construed to allow a redevelopment
557 project to receive an appropriation in excess of up to fifty
558 percent of the new state revenues.

559 15. Notwithstanding any other provision of the law to
560 the contrary, the adoption of any tax increment financing
561 authorized under sections 99.800 to 99.865 shall not
562 supersede, alter, or reduce in any way a property tax levied
563 under section 205.971.

564 16. **In addition to the other provisions of this**
565 **section, no redevelopment project shall occur in a**
566 **redevelopment area unless:**

567 (1) **All school districts in such redevelopment area**
568 **have low fiscal capacity;**

569 (2) **All census blocks or census block groups, as**
570 **established in the most recent census, in such redevelopment**
571 **area have high unemployment; or**

572 (3) **All municipalities, census blocks, or census block**
573 **groups, as established in the most recent census, in such**
574 **redevelopment area are characterized by moderate income.**

✓