

FIRST REGULAR SESSION

SENATE BILL NO. 722

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

0483S.01I

KRISTINA MARTIN, 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2 repealed and seven new sections enacted in lieu thereof, to be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 insanitary or unsafe conditions,
6 deterioration of site improvements, or the existence of
7 conditions which endanger life or property by fire and other
8 causes, or any combination of such factors, retards the
9 provision of housing accommodations or constitutes an
10 economic or social liability or a menace to the public
11 health, safety, or welfare in its present condition and use];

12 (a) **The buildings in the area are insanitary or unsafe**
13 **for living or working or are substantially vacant, provided**
14 **that the area qualifies as a distressed community under**
15 **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.

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

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

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

26 (3) "Conservation area", any improved area within the
27 boundaries of a redevelopment area located within the
28 territorial limits of a municipality in which fifty percent
29 or more of the structures in the area have an age of thirty-
30 five years or more. Such an area is not yet a blighted area
31 but is detrimental to the public health, safety, or welfare
32 and may become a blighted area because of any one or more of
33 the following factors: dilapidation; obsolescence;
34 deterioration; illegal use of individual structures;
35 presence of structures below minimum code standards;
36 abandonment; excessive vacancies; overcrowding of structures
37 and community facilities; lack of ventilation, light or
38 sanitary facilities; inadequate utilities; excessive land
39 coverage; deleterious land use or layout; depreciation of
40 physical maintenance; and lack of community planning. A
41 conservation area shall meet at least three of the factors
42 provided in this subdivision for projects approved on or
43 after December 23, 1997. For all redevelopment plans and
44 projects approved on or after January 1, 2022, in retail
45 areas, a conservation area shall meet the dilapidation
46 factor as one of the three factors required under this
47 subdivision;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

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

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

82 (b) Result in increased employment in the
83 municipality; or

84 (c) Result in preservation or enhancement of the tax
85 base of the municipality;

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

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

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

111 least one and one-half times the unemployment rate of
112 nonmetropolitan counties;

113 (9) "Low fiscal capacity", a per capita assessed
114 valuation of property in the municipality of less than sixty
115 percent of the entire county in which it is located or, if
116 an unincorporated area, a per capita assessed valuation of
117 property in the school district of less than sixty percent
118 of the entire county in which it is located;

119 (10) "Moderate income", according to the last
120 decennial census:

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

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

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

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

141 (11) "Municipality", a city, village, or incorporated
142 town or any county of this state. For redevelopment areas

143 or projects approved on or after December 23, 1997,
144 municipality applies only to cities, villages, incorporated
145 towns or counties established for at least one year prior to
146 such date;

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

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

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

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

172 [(12)] (16) "Port infrastructure project", docks and
173 associated equipment, cargo and passenger terminals, storage
174 warehouses, or any other similar infrastructure directly

related to port facilities located in a port district created pursuant to the provisions of chapter 68 and located within one-half of one mile of a navigable waterway;

[(13)] (17) "Redevelopment area", an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of real property directly and substantially benefitted by the proposed redevelopment project;

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

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

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

206 (a) Costs of studies, surveys, plans, and
207 specifications;

208 (b) Professional service costs, including, but not
209 limited to, architectural, engineering, legal, marketing,
210 financial, planning or special services. Except the
211 reasonable costs incurred by the commission established in
212 section 99.820 for the administration of sections 99.800 to
213 99.865, such costs shall be allowed only as an initial
214 expense which, to be recoverable, shall be included in the
215 costs of a redevelopment plan or project;

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

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

220 b. Demolition of buildings; and

221 c. The clearing and grading of land;

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

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

225 (f) Costs of construction of public works or
226 improvements;

227 (g) Financing costs, including, but not limited to,
228 all necessary and incidental expenses related to the
229 issuance of obligations, and which may include payment of
230 interest on any obligations issued pursuant to sections
231 99.800 to 99.865 accruing during the estimated period of
232 construction of any redevelopment project for which such
233 obligations are issued and for not more than eighteen months
234 thereafter, and including reasonable reserves related
235 thereto;

236 (h) All or a portion of a taxing district's capital
237 costs resulting from the redevelopment project necessarily

238 incurred or to be incurred in furtherance of the objectives
239 of the redevelopment plan and project, to the extent the
240 municipality by written agreement accepts and approves such
241 costs;

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

245 (j) Payments in lieu of taxes;

246 [(17)] (21) "Retail area", a proposed redevelopment
247 building area for which more than fifty percent of the
248 usable building square footage in the area is projected to
249 be used by retail businesses, which shall be businesses that
250 primarily sell or offer to sell goods to a buyer primarily
251 for the buyer's personal, family, or household use and not
252 primarily for business, commercial, or agricultural use;

253 [(18)] (22) "Retail infrastructure projects",
254 highways, roads, streets, bridges, sewers, traffic control
255 systems and devices, water distribution and supply systems,
256 curbing, sidewalks, storm water and drainage systems, or any
257 other similar public improvements, but in no case shall
258 retail infrastructure projects include private structures;

259 [(19)] (23) "Special allocation fund", the fund of a
260 municipality or its commission which contains at least two
261 separate segregated accounts for each redevelopment plan,
262 maintained by the treasurer of the municipality or the
263 treasurer of the commission into which payments in lieu of
264 taxes are deposited in one account, and economic activity
265 taxes and other revenues are deposited in the other account;

266 [(20)] (24) "Taxing districts", any political
267 subdivision of this state having the power to levy taxes;

268 [(21)] (25) "Taxing districts' capital costs", those
269 costs of taxing districts for capital improvements that are

270 found by the municipal governing bodies to be necessary and
271 to directly result from the redevelopment project; and

272 [(22)] (26) "Vacant land", any parcel or combination
273 of parcels of real property not used for industrial,
274 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 study prepared by a land use planner, urban

28 planner, licensed architect, licensed commercial real estate
29 appraiser, or licensed attorney, which includes a detailed
30 description of the factors that qualify the redevelopment
31 area or project pursuant to this subdivision and an
32 affidavit, signed by the developer or developers and
33 submitted with the redevelopment plan, attesting that the
34 provisions of this subdivision have been met. **Such finding**
35 **shall also include a study stating that records were**
36 **reviewed, inspections were made, comparisons were made, and**
37 **tasks were undertaken that demonstrate the property was not**
38 **developed through private enterprise over time. Such a**
39 **study shall be signed by a party that assumes responsibility**
40 **for the study's representations. The study shall be of**
41 **sufficient specificity to allow representatives of the tax**
42 **increment financing commission and municipality to confirm**
43 **its findings;**

44 (2) The redevelopment plan conforms to the
45 comprehensive plan for the development of the municipality
46 as a whole;

47 (3) The estimated dates, which shall not be more than
48 twenty-three years from the adoption of the ordinance
49 approving a redevelopment project within a redevelopment
50 area, of completion of any redevelopment project and
51 retirement of obligations incurred to finance redevelopment
52 project costs have been stated, provided that no ordinance
53 approving a redevelopment project shall be adopted later
54 than ten years from the adoption of the ordinance approving
55 the redevelopment plan under which such project is
56 authorized and provided that no property for a redevelopment
57 project shall be acquired by eminent domain later than five
58 years from the adoption of the ordinance approving such
59 redevelopment project;

60 (4) A plan has been developed for relocation
61 assistance for businesses and residences;

62 (5) A cost-benefit analysis showing the economic
63 impact of the plan on each taxing district which is at least
64 partially within the boundaries of the redevelopment area.
65 The analysis shall show the impact on the economy if the
66 project is not built, and is built pursuant to the
67 redevelopment plan under consideration. The cost-benefit
68 analysis shall include a fiscal impact study on every
69 affected political subdivision, and sufficient information
70 from the developer for the commission established in section
71 99.820 to evaluate whether the project as proposed is
72 financially feasible;

73 (6) A finding that the plan does not include the
74 initial development or redevelopment of any gambling
75 establishment, provided however, that this subdivision shall
76 be applicable only to a redevelopment plan adopted for a
77 redevelopment area designated by ordinance after December
78 23, 1997; **and**

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

86 2. Tax increment allocation financing shall not be
87 adopted under sections 99.800 to 99.865 in a retail area
88 unless such financing is exclusively utilized to fund retail
89 infrastructure projects or unless such area is a blighted
90 area or conservation area. The provisions of this
91 subsection shall not apply to any tax increment allocation

92 financing project or plan approved before August 28, 2021,
93 nor to any amendment to tax increment allocation financing
94 projects and plans where such projects or plans were
95 originally approved before August 28, 2021, provided that
96 such an amendment does not add buildings of new construction
97 in excess of twenty-five percent of the scope of the
98 original redevelopment agreement.

99 3. By the last day of February each year, each
100 commission shall report to the director of economic
101 development the name, address, phone number and primary line
102 of business of any business which relocates to the
103 district. The director of the department of economic
104 development shall compile and report the same to the
105 governor, the speaker of the house and the president pro
106 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 municipality receives payments in lieu of taxes from a redevelopment project and ending the last fiscal year in which the municipality receives such payments, the municipality shall pay an amount equal to twenty-five percent of such payments in lieu of taxes to all other taxing entities that are entitled to receive revenue from levies on real property in such municipality. Such amount shall be distributed among the other taxing entities in proportion to the collections of revenue from real property in the development area to which each such taxing district is entitled during that tax year. If a tax increment financing project includes residential uses, real property tax levies attributable to the residential portion of the development shall be distributed to the local school district or districts, absent the affected school board or boards issuing a recommendation to the contrary.

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

2. The department shall establish reporting requirements and may promulgate other rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking

16 authority and any rule proposed or adopted after August 28,
17 2023, 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 more than one million inhabitants;
- 11 (3) Any county with more than two hundred thousand but
12 fewer than two hundred thirty thousand inhabitants;
- 13 (4) Any county with more than thirty-five thousand but
14 fewer than forty thousand inhabitants and with a county seat
15 with more than eight thousand but fewer than ten thousand
16 inhabitants;
- 17 (5) Any county with more than four hundred thousand
18 but fewer than five hundred thousand inhabitants;
- 19 (6) Any county with more than one hundred thousand but
20 fewer than one hundred twenty thousand inhabitants and with

21 a county seat with more than twelve thousand but fewer than
22 fourteen thousand inhabitants;

23 (7) Any county with more than twenty-two thousand but
24 fewer than twenty-five thousand inhabitants and with a
25 county seat with more than one thousand four hundred but
26 fewer than one thousand nine hundred inhabitants;

27 (8) Any county with more than fifty thousand but fewer
28 than sixty thousand inhabitants and with a county seat with
29 more than twelve thousand six hundred but fewer than fifteen
30 thousand inhabitants;

31 (9) Any county with more than sixty thousand but fewer
32 than seventy thousand inhabitants;

33 (10) Any county with more than seventeen thousand six
34 hundred but fewer than nineteen thousand inhabitants and
35 with a county seat with more than four thousand but fewer
36 than five thousand fifty inhabitants; or

37 (11) Any county with more than twenty-two thousand but
38 fewer than twenty-five thousand inhabitants and with a
39 county seat with more than two thousand three hundred but
40 fewer than four thousand inhabitants.

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

taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

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

(2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Beginning August 28, 2014, if the voters in a 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,

1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the 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

renewal of an expiring sales or use tax, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered economic activity taxes subject to deposit into a special allocation fund without the consent of such taxing district.

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

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

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

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

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

(1) Blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, blighted areas

located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

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

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

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

(3) Blighted areas consisting solely of the site of a former insurance company national service center containing a minimum of one hundred acres located in any county with a charter form of government and with more than nine hundred 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

the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund for redevelopment projects approved prior to August 28, 2018, exceed thirty-two million dollars; provided, however, that such thirty-two million dollar cap shall not apply to redevelopment plans or projects initially listed by name in the applicable appropriations bill after August 28, 2015, which involve:

(a) A former automobile manufacturing plant;

(b) The retention of a federal employer employing over two thousand geospatial intelligence jobs; or

(c) A health information technology employer employing over seven thousand employees in the state of Missouri and which is estimated to create in excess of fifteen thousand new jobs with an average annual wage of more than seventy-five thousand dollars.

At no time shall the annual amount of the new state revenues for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans and projects eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in the aggregate. At no time shall the annual amount of the new state revenues for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans and projects eligible under the provisions of paragraph (b) of this subdivision exceed twelve million dollars in the aggregate. To the extent a redevelopment plan or project independently meets the eligibility criteria set forth in both paragraphs (a) and (b) of this subdivision, then at no such time shall the annual amount of new state revenues for disbursements from the Missouri supplemental tax increment financing fund for such eligible redevelopment plan or project exceed twelve million dollars in the aggregate;

(4) At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans or projects approved on or after August 28, 2018, and before August 28, 2028, be increased by or exceed ten million dollars. Any individual redevelopment plan or

project approved prior to August 28, 2018, which is expanded with buildings of new construction shall not be increased by more than three million dollars annually in excess of the original previously approved maximum annual projected amount. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans or projects approved on or after August 28, 2028, exceed twenty million dollars; provided, however, that such ceilings shall not apply to redevelopment plans or projects exempted from such ceilings under subdivision (3) of this subsection. For all redevelopment plans or projects initially approved on or after August 28, 2018, at no time shall a single redevelopment plan or project within such redevelopment plan receive an appropriation under this section that exceeds three million dollars annually;

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

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains

all or part of a city with a population in excess of four hundred thousand or more inhabitants.

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

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

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base

year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

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

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

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

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

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

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