

FIRST REGULAR SESSION

HOUSE BILL NO. 861

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ZERR.

2013L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 99.805, RSMo, and to enact in lieu thereof one new section relating to tax increment financing.

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

Section A. Section 99.805, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 99.805, to read as follows:

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

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

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

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 standards; abandonment; excessive vacancies; overcrowding of structures and community
19 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
20 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
21 community planning. A conservation area shall meet at least three of the factors provided in this
22 subdivision for projects approved on or after December 23, 1997;

23 (4) "Economic activity taxes", the total additional revenue from taxes which are imposed
24 by a municipality and other taxing districts, and which are generated by economic activities
25 within a redevelopment area over the amount of such taxes generated by economic activities
26 within such redevelopment area in the calendar year prior to the adoption of the ordinance
27 designating such a redevelopment area, while tax increment financing remains in effect, but
28 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
29 transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment
30 projects or redevelopment plans approved after December 23, 1997, if a retail establishment
31 relocates within one year from one facility to another facility within the same [county] **standard**
32 **metropolitan statistical area as defined by the United States Census** and the governing body
33 of the municipality finds that the relocation is a direct beneficiary of tax increment financing,
34 then for purposes of this definition, the economic activity taxes generated by the retail
35 establishment shall equal the total additional revenues from economic activity taxes which are
36 imposed by a municipality or other taxing district over the amount of economic activity taxes
37 generated by the retail establishment in the calendar year prior to its relocation to the
38 redevelopment area;

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

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

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

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

48 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800
49 and any related business facility including any real property improvements which are directly and
50 solely related to such business facility, whose sole purpose is to provide goods or services to an
51 excursion gambling boat and whose majority ownership interest is held by a person licensed to
52 conduct gambling games on an excursion gambling boat or licensed to operate an excursion

53 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable
54 only to a redevelopment area designated by ordinance adopted after December 23, 1997;

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

60 (8) "Municipality", a city, village, or incorporated town or any county of this state. For
61 redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies
62 only to cities, villages, incorporated towns or counties established for at least one year prior to
63 such date;

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

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

70 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area
71 selected for a redevelopment project, which revenues according to the redevelopment project or
72 plan are to be used for a private use, which taxing districts would have received had a
73 municipality not adopted tax increment allocation financing, and which would result from levies
74 made after the time of the adoption of tax increment allocation financing during the time the
75 current equalized value of real property in the area selected for the redevelopment project
76 exceeds the total initial equalized value of real property in such area until the designation is
77 terminated pursuant to subsection 2 of section 99.850;

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

84 (13) "Redevelopment plan", the comprehensive program of a municipality for
85 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
86 conditions, the existence of which qualified the redevelopment area as a blighted area,
87 conservation area, economic development area, or combination thereof, and to thereby enhance

88 the tax bases of the taxing districts which extend into the redevelopment area. Each
89 redevelopment plan shall conform to the requirements of section 99.810;

90 (14) "Redevelopment project", any development project within a redevelopment area in
91 furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
92 include a legal description of the area selected for the redevelopment project;

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

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

97 (b) Professional service costs, including, but not limited to, architectural, engineering,
98 legal, marketing, financial, planning or special services. Except the reasonable costs incurred
99 by the commission established in section 99.820 for the administration of sections 99.800 to
100 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
101 included in the costs of a redevelopment plan or project;

102 (c) Property assembly costs, including, but not limited to, acquisition of land and other
103 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing
104 and grading of land;

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

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

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

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

114 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
115 project necessarily incurred or to be incurred in furtherance of the objectives of the
116 redevelopment plan and project, to the extent the municipality by written agreement accepts and
117 approves such costs;

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

120 (j) Payments in lieu of taxes;

121 (16) "Special allocation fund", the fund of a municipality or its commission which
122 contains at least two separate segregated accounts for each redevelopment plan, maintained by
123 the treasurer of the municipality or the treasurer of the commission into which payments in lieu

124 of taxes are deposited in one account, and economic activity taxes and other revenues are
125 deposited in the other account;

126 (17) "Taxing districts", any political subdivision of this state having the power to levy
127 taxes;

128 (18) "Taxing districts' capital costs", those costs of taxing districts for capital
129 improvements that are found by the municipal governing bodies to be necessary and to directly
130 result from the redevelopment project; and

131 (19) "Vacant land", any parcel or combination of parcels of real property not used for
132 industrial, commercial, or residential buildings.

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