

SECOND REGULAR SESSION

HOUSE BILL NO. 2043

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CUNNINGHAM AND PORTWOOD (Co-sponsors).

Read 1st time February 26, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4008L.011

AN ACT

To repeal sections 100.010, 100.040, 100.050, 100.105, and 353.110, RSMo, and to enact in lieu thereof six new sections relating to industrial development.

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

Section A. Sections 100.010, 100.040, 100.050, 100.105, and 353.110, RSMo, are
2 repealed and six new sections enacted in lieu thereof, to be known as sections 100.010, 100.040,
3 100.050, 100.062, 100.105, and 353.110, to read as follows:

100.010. As used in sections 100.010 to 100.200, unless the context clearly indicates
2 otherwise, the following words and terms have the following meanings:

3 (1) "Division", an appropriate division of the department of economic development of
4 the state of Missouri, or any agency which succeeded to the functions of the division of
5 commerce and industrial development;

6 (2) "Facility", an industrial plant purchased, constructed, extended or improved pursuant
7 to sections 100.010 to 100.200, including the real estate, buildings, fixtures and machinery;

8 (3) "Governing body", bodies and boards, by whatever names they may be known,
9 charged with the governing of a municipality as herein defined;

10 (4) "Municipality", any county, city, incorporated town or village of the state;

11 (5) "Office industry", a regional, national or international headquarters, a
12 telecommunications operation, a computer operation, an insurance company or a credit card
13 billing and processing center;

14 (6) "Project for industrial development" or "project", the purchase, construction,
15 extension and improvement of warehouses, distribution facilities, research and development

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

16 facilities, office industries, agricultural processing industries, service facilities which provide
17 interstate commerce, and industrial plants, including the real estate either within or without the
18 limits of such municipalities, buildings, fixtures, and machinery; except that any project of a
19 municipality having fewer than eight hundred inhabitants shall be located wholly within the
20 limits of the municipality[.];

21 **(7) "Revenue bonds", bonds, loans, debentures, notes, special certificates, or other**
22 **evidences of indebtedness issued by a municipality and secured by revenues of a project**
23 **for industrial development;**

24 **(8) "Taxing district", any political subdivision of this state having the power to levy**
25 **ad valorem taxes.**

100.040. **1.** Any municipality desiring to avail itself of the provisions of sections
2 100.010 to 100.200 shall **first** prepare [plans] **a written plan which shall serve as a guide** for
3 the industrial development of such municipality **and which shall set forth the activities which**
4 **may be undertaken by the municipality.** In preparing the plans **for industrial development,**
5 the municipality shall cooperate with local private agencies and with other state and local
6 agencies concerned with industrial development.

7 **2. Any plan for the industrial development of the municipality which authorizes**
8 **any project which involves issuance of revenue bonds or involves conveyance of a fee**
9 **interest in property to the municipality shall be approved by a majority vote of the**
10 **governing body of the municipality. Prior to approving such plan, the municipality shall**
11 **provide a copy of the plan to each taxing district whose territorial jurisdiction lies within**
12 **the boundaries of the municipality and shall solicit the written or oral comments of each**
13 **such taxing district regarding such plan.**

100.050. **1.** Any municipality proposing to carry out a project for industrial development
2 shall first, by [majority vote of the governing body of the municipality] **ordinance,** approve [the]
3 **a specific** plan for the project. The **project** plan shall **be consistent with the plan for**
4 **industrial development prepared by the municipality pursuant to section 100.040 and shall**
5 include the following information pertaining to the proposed project:

6 (1) A description of the project;

7 (2) An estimate of the cost of the project;

8 (3) A statement of the source of funds to be expended for the project;

9 (4) A statement of the terms upon which the facilities to be provided by the project are
10 to be leased or otherwise disposed of by the municipality; and

11 (5) Such other information necessary to meet the requirements of sections 100.010 to
12 100.200.

13 **2. Where the project or project plan involves issuance of revenue bonds or involves**

14 conveyance of a fee interest in property to a municipality, the project plan shall
15 additionally include the following information:

16 (1) A statement identifying each taxing district affected by such project; and

17 (2) The most recent equalized assessed valuation of the real property and personal
18 property included in the project, and an estimate as to the equalized assessed valuation of
19 real property and personal property included in the project after development.

100.062. 1. The governing body of any municipality proposing a project for
2 industrial development which involves issuance of revenue bonds or involves conveyance
3 of a fee interest in property to a municipality shall, prior to the adoption of the ordinance
4 required pursuant to section 100.050:

5 (1) Furnish to each taxing district whose boundaries for ad valorem taxation
6 purposes include any portion of the area of the project written notice of the hearing to be
7 held in accordance with subdivision (2) of this subsection and a written statement of the
8 impact on real property and on personal property ad valorem taxes that the project will
9 have on such taxing district based upon the most recent equalized assessed valuation of the
10 real property and personal property included in the project, and the estimate as to the
11 equalized assessed valuation of real property and personal property included in the project
12 after development. The impact statement shall contain an estimate of those revenues which
13 would not be realized by each such taxing district due to any exemption from ad valorem
14 taxation which results from implementation of the project, together with an estimate of
15 revenues which would be realized by such taxing district from payments in lieu of taxes to
16 be made to such taxing district in connection with the project;

17 (2) Fix a time and place for a public hearing at which public hearing any interested
18 person or affected taxing district may file with the municipality written objections to or
19 comments on, and may be heard orally in respect to, any issues related to the project. At
20 the hearing, the governing body of the municipality shall hear and consider all protests,
21 objections, comments, and other evidence presented. The hearing may be continued to
22 another date without further notice other than a motion to be entered upon the minutes
23 fixing the time and place of the subsequent hearing. After the public hearing but prior to
24 the adoption of an ordinance approving a specific project plan, changes may be made to
25 such project plan without a further hearing, provided that notice of such changes shall be
26 given by mail to each affected taxing district not less than ten days prior to the adoption
27 of the changes by ordinance.

28 2. Notice of the public hearing required by this section shall be given by publication
29 at least once, to be not more than fifteen days prior to the hearing, in a newspaper of
30 general circulation in the area of the proposed project for industrial development. The

31 **notice shall include:**

32 **(1) The time and place of the public hearing;**

33 **(2) The area and general boundaries of the proposed project by street location,**
34 **where possible;**

35 **(3) A statement that all interested persons shall be given an opportunity to be heard**
36 **at the public hearing;**

37 **(4) A description of the proposed project and a location and time where the specific**
38 **plan for the project together with the plan for industrial development of the municipality**
39 **may be reviewed by any interested party; and**

40 **(5) Such other matters as the governing body of the municipality may deem**
41 **appropriate.**

42 **3. Not less than thirty days prior to the date set for the public hearing, the**
43 **municipality shall give notice by certified United States mail to each taxing district whose**
44 **boundaries for ad valorem taxation purposes include any portion of the area of the project**
45 **which notice shall contain, in addition to the requirements pursuant to subsection 2 of this**
46 **section, an invitation to each such taxing district to submit comments to the municipality**
47 **concerning the subject matter of the hearing prior to the date of the hearing.**

100.105. **1.** No later than January thirty-first of each year, the municipality shall file a
2 report with the department of economic development on the previous year's revenue bond
3 issuances and general obligation bond issuances, which report shall contain only the following
4 information:

5 **(1) The name, address, spokesperson, and telephone number of the issuing entity;**

6 **(2) The name, address, age, and type of business of the beneficiary firm;**

7 **(3) The amount, term, interest rate or rates, and date of issuance of the bonds issued;**

8 **(4) The name and address of the underwriter, if any, of such bonds;**

9 **(5) The name and address of the guarantor, if any;**

10 **(6) The size, by assets and previous year's sales, and the current number of employees,**
11 **of the beneficiary firm;**

12 **(7) A copy of the preliminary official statement used when offering the bonds for sale;**

13 **(8) The estimated number of new jobs to be generated by the proposed project;**

14 **(9) A list of the use of bond proceeds, including whether the purpose of the project and**
15 **the funds generated by the issuance of such bonds is to open a new business, build a branch**
16 **plant, expand an existing facility, or acquire an existing business[;] **together with a list of any****
17 **real property or personal property purchased by or on behalf of the municipality with such**
18 **proceeds; and**

19 **(10) The estimated total cost of the project.**

20 **2. In any year in which the municipality undertakes a project which involves**
21 **issuance of revenue bonds or involves conveyance of a fee interest in property to the**
22 **municipality, the municipality at the time of filing of the report required in this section**
23 **shall additionally provide a copy to each taxing district whose boundaries for ad valorem**
24 **taxation purposes include any portion of the area of the project.**

353.110. 1. Once the requirements of this section have been complied with, the real
2 property of urban redevelopment corporations acquired pursuant to this chapter shall not be
3 subject to assessment or payment of general ad valorem taxes imposed by the cities affected by
4 this law, or by the state or any political subdivision thereof, for a period not in excess of ten years
5 after the date upon which such corporations become owners of such real property, except to such
6 extent and in such amount as may be imposed upon such real property during such period
7 measured solely by the amount of the assessed valuation of the land, exclusive of improvements,
8 acquired pursuant to this chapter and owned by such urban redevelopment corporation, as was
9 determined by the assessor of the county in which such real property is located, or, if not located
10 within a county, then by the assessor of such city, for taxes due and payable thereon during the
11 calendar year preceding the calendar year during which the corporation acquired title to such real
12 property. The amounts of such tax assessments shall not be increased during such period so long
13 as the real property is owned by an urban redevelopment corporation and used in accordance
14 with a development plan authorized by the legislative authority of such cities.

15 2. In the event, however, that any such real property was tax exempt immediately prior
16 to ownership by any urban redevelopment corporation, such assessor or assessors shall, upon
17 acquisition of title thereto by the urban redevelopment corporation, promptly assess such land,
18 exclusive of improvements, at such valuation as shall conform to but not exceed the assessed
19 valuation made during the preceding calendar year of other land, exclusive of improvements,
20 adjacent thereto or in the same general neighborhood, and the amount of such assessed valuation
21 shall not be increased during the period set pursuant to subsection 1 of this section so long as the
22 real property is owned by an urban redevelopment corporation and used in accordance with a
23 development plan authorized by the legislative authority of such cities. For the next ensuing
24 period not in excess of fifteen years, ad valorem taxes upon such real property shall be measured
25 by the assessed valuation thereof as determined by such assessor or assessors upon the basis of
26 not to exceed fifty percent of the true value of such real property, including any improvements
27 thereon, nor shall such valuations be increased above fifty percent of the true value of such real
28 property from year to year during such next ensuing period so long as the real property is owned
29 by an urban redevelopment corporation and used in accordance with an authorized development
30 plan. After a period totaling not more than twenty-five years, such real property shall be subject
31 to assessment and payment of all ad valorem taxes, based on the full true value of the real

32 property; provided, that after the completion of the redevelopment project, as authorized by law
33 or ordinance whenever any urban redevelopment corporation shall elect to pay full taxes, or at
34 the expiration of the period, such real property shall be owned and operated free from any of the
35 conditions, restrictions or provisions of this chapter, and of any ordinance, rule or regulation
36 adopted pursuant thereto, any other law limiting the right of domestic and foreign insurance
37 companies to own and operate real estate to the contrary notwithstanding.

38 3. No tax abatement or exemption authorized by this section shall become effective
39 unless and until:

40 (1) The governing body of the city:

41 [(1)](a) Furnishes each political subdivision whose boundaries for ad valorem taxation
42 purposes include any portion of the real property to be affected by such tax abatement or
43 exemption with a written statement of the impact on ad valorem taxes such tax abatement or
44 exemption will have on such political subdivisions and written notice of the hearing to be held
45 in accordance with [subdivision (2)] **paragraph (b)** of this [subsection] **subdivision**. The
46 written statement and notice required by this subdivision shall be furnished as provided by local
47 ordinance before the hearing and shall include, but need not be limited to, an estimate of the
48 amount of ad valorem tax revenues of each political subdivision which will be affected by the
49 proposed tax abatement or exemption, based on the estimated assessed valuation of the real
50 property involved as such property would exist before and after it is redeveloped;

51 [(2)](b) Conducts a public hearing regarding such tax abatement or exemption, at which
52 hearing all political subdivisions described in [subdivision (1)] **paragraph (a)** of this
53 [subsection] **subdivision** shall have the right to be heard on such grant of tax abatement or
54 exemption;

55 [(3)](c) Enacts an ordinance which provides for expiration of development rights,
56 including the rights of eminent domain and tax abatement, in the event of failure of the urban
57 redevelopment corporation to acquire ownership of property within the area of the development
58 plan. Such ordinance shall provide for a duration of time within which such property must be
59 acquired, and may allow for acquisition of property under the plan in phases; **and**

60 (2) **A majority of the taxing districts in which the real property affected by the tax**
61 **abatement or exemption is wholly or partially located approves the tax abatement or**
62 **exemption.**

63 4. Notwithstanding any other provision of law to the contrary, payments in lieu of taxes
64 may be imposed by contract between a city and an urban redevelopment corporation which
65 receives tax abatement or exemption on property pursuant to this section. Such payments shall
66 be made to the collector of revenue of the county or city not within a county by December
67 thirty-first of each year payments are due. The governing body of the city shall furnish the

68 collector a copy of any such contract requiring payment in lieu of taxes. The collector shall
69 allocate all revenues received from such payment in lieu of taxes among all taxing authorities
70 whose property tax revenues are affected by the exemption or abatement on the same pro rata
71 basis and in the same manner as the ad valorem property tax revenues received by each taxing
72 authority from such property in the year such payments are due.

73 5. The provisions of subsection 3 of this section shall not apply to any amendment or
74 future amendment to a phased development plan approved by the governing body of the city
75 prior to the effective date of the provisions of subsection 3 of this section and upon which
76 construction has been in progress pursuant to such phased plan.