

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 289
92ND GENERAL ASSEMBLY

Reported from the Committee on Job Creation and Economic Development February 27, 2003, with recommendation that the House Committee Substitute for House Bill No. 289 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

0882L.05C

AN ACT

To amend chapter 99, RSMo, by adding thereto twenty-two new sections relating to Missouri downtown economic stimulus act.

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

Section A. Chapter 99, RSMo, is amended by adding thereto twenty-two new sections, to be known as sections 99.915, 99.918, 99.921, 99.924, 99.927, 99.930, 99.933, 99.936, 99.939, 99.942, 99.945, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968, 99.971, 99.975, and 99.980, to read as follows:

99.915. 1. Sections 99.915 to 99.980 shall be known and may be cited as the "Missouri Downtown Economic Stimulus Act".

2. Nothing in sections 99.915 to 99.980 shall be construed to provide any funding for the construction, maintenance, or operation of any sports stadium or related facility.

3. Sections 99.915 to 99.980 shall be construed liberally to effectuate the purposes hereof. Insofar as the provisions of sections 99.915 to 99.980 are inconsistent with the provisions of any other law, the provisions of sections 99.915 to 99.980 shall be controlling.

4. The powers conferred by sections 99.915 to 99.980 shall be the powers to be exercised by the authorities to be created pursuant to the provisions of sections 99.915 to 99.980.

99.918. As used in sections 99.915 to 99.980, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Authority", the downtown economic stimulus authority for a municipality, created pursuant to sections 99.915 to 99.980;

(2) "Baseline year", the calendar year prior to the adoption of an ordinance by the

6 municipality approving a development project; provided, however, if state withholding tax
7 revenues and state sales tax revenues, from businesses other than out-of-state business or
8 businesses locating in the development project area, decrease in the development project
9 area in the year following the year in which the ordinance approving a development
10 project is approved by a municipality, the baseline year shall be the year following the year
11 of the adoption of the ordinance approving the development project, and tax revenues
12 generated by the out-of-state business or businesses which locate in the development
13 project area shall not be included in state income taxes, state sales taxes, or state
14 withholding taxes for computation of economic activity taxes, other net new revenues, state
15 income tax increment or state sales tax increment, or computation of amounts to be
16 pledged from the special allocation fund;

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

24 (4) "Central business district", the area at or near the historic core of a city, village,
25 or town that is locally known as the "downtown", with a substantial percentage of
26 buildings, or lots cleared of prior buildings, built in excess of fifty years prior to
27 redevelopment. The historical land use emphasis of a central business district prior to
28 redevelopment will have been a mixed use of business, commercial, financial,
29 transportation, government, and residential uses;

30 (5) "Collecting officer", the officer of the municipality responsible for receiving and
31 processing payments in lieu of taxes, economic activity taxes other than economic activity
32 taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for
33 local sales taxes and state taxes, the director of revenue;

34 (6) "Conservation area", any improved area within the boundaries of a
35 redevelopment area located within the territorial limits of a municipality in which fifty
36 percent or more of the structures in the area have an age of thirty-five years or more, and
37 such an area is not yet a blighted area but is detrimental to the public health, safety,
38 morals, or welfare and may become a blighted area because of any one or more of the
39 following factors: dilapidation; obsolescence; deterioration; illegal use of individual
40 structures; presence of structures below minimum code standards; abandonment; excessive
41 vacancies; overcrowding of structures and community facilities; lack of ventilation, light

42 or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or
43 layout; depreciation of physical maintenance; and lack of community planning;

44 (7) "Development area", an area designated by a municipality in respect to which
45 the municipality has made a finding that there exist conditions which cause the area to be
46 classified as a blighted area or a conservation area, which area shall have the following
47 characteristics:

48 (a) It includes only those parcels of real property directly and substantially
49 benefitted by the proposed development plan;

50 (b) It can be renovated through one or more development projects;

51 (c) It is located in the central business districts or urban core areas of a city;

52 (d) It has generally suffered from declining population or property taxes for the
53 twenty-year period immediately preceding the area's designation as a development area;
54 and

55 (e) It is contiguous, provided, however that a development area may include up to
56 three noncontiguous areas selected for development projects, provided that each
57 noncontiguous area meets the requirements of paragraphs (a) to (d) herein;

58 (f) The development area shall not exceed ten percent of the entire area of the
59 municipality.

60
61 Subject to the limitation set forth in this subdivision, the development area can be enlarged
62 or modified as provided in section 99.951;

63 (8) "Development plan", the comprehensive program of a municipality to reduce
64 or eliminate those conditions which qualified a development area as a blighted area or a
65 conservation area, and to thereby enhance the tax bases of the taxing districts which extend
66 into the development area through the reimbursement, payment, or other financing of
67 development project costs in accordance with sections 99.915 to 99.980 and through the
68 exercise of the powers set forth in sections 99.915 to 99.980. The development plan shall
69 conform to the requirements of section 99.942;

70 (9) "Development project", any development project within a development area
71 which constitutes a major initiative in furtherance of the objectives of the development
72 plan, and any such development project shall include a legal description of the area
73 selected for such development project;

74 (10) "Development project area", the area located within a development area
75 selected for a development project;

76 (11) "Development project costs" include the sum total of all reasonable or
77 necessary costs incurred or estimated to be incurred, and any such costs incidental to the

78 development plan or a development project, as applicable, which are expended on public
79 property, buildings, or rights-of-way for public purposes or for public institutions in
80 furtherance of a development project. Such costs include, but are not limited to, the
81 following:

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

83 (b) Professional service costs, including, but not limited to, architectural,
84 engineering, legal, marketing, financial, planning, or special services;

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

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

90 (e) Costs of construction of public works or improvements;

91 (f) Financing costs, including, but not limited to, all necessary and incidental
92 expenses related to the issuance of obligations issued to finance all or any portion of the
93 costs of one or more development projects, and which may include capitalized interest on
94 any such obligations and reasonable reserves related to any such obligations;

95 (g) All or a portion of a taxing district's capital costs resulting from any
96 development project necessarily incurred or to be incurred in furtherance of the objectives
97 of the development plan, to the extent the municipality by written agreement accepts and
98 approves such costs;

99 (h) Relocation costs to the extent that a municipality determines that relocation
100 costs shall be paid or are required to be paid by federal or state law;

101 (i) Payments to taxing districts on a pro rata basis to partially reimburse taxes
102 diverted by approval of a development project;

103 (j) State government costs, including, but not limited to, the reasonable costs
104 incurred by the department of economic development, the department of revenue and the
105 office of administration in evaluating an application for and administering state
106 supplemental downtown development financing for a development project; and

107 (k) Endowment of governmental or public institutions of research or higher
108 education.

109 (12) "Economic activity taxes", the total additional revenue from taxes which are
110 imposed by the municipality and other taxing districts, and which are generated by
111 economic activities within each development project area over the amount of such taxes
112 generated by economic activities within such development project area in the baseline year,
113 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. If a retail establishment relocates within one year from one facility to another facility within the same county and the authority finds that the retail establishment is a direct beneficiary of development 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 the municipality and other taxing district over the amount of economic activity taxes generated by the retail establishment in the baseline year;

(13) "Gambling establishment", an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo;

(14) "Major initiative", a development project within a central business district that:

(a) Promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, or conventions, the estimated cost of which is in excess of the amount set forth below for the municipality, as applicable; or

(b) Promotes business location or expansion, the estimated cost of which is in excess of the amount set forth below for the municipality, and is estimated to create at least as many new jobs as set forth below within three years of such location or expansion:

Population of Municipality	Estimated Project Cost	New Jobs Created
300,000 or more	\$10,000,000	at least 100
100,000 to 299,999	\$5,000,000	at least 50
99,999 or less	\$1,000,000	at least 10;

(15) "Municipality", any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001;

(16) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the authority or other public entity authorized to issue such obligations pursuant to sections 99.915 to 99.980 to carry out a development project or to refund outstanding obligations;

(17) "Ordinance", an ordinance enacted by the governing body of any municipality

or an order of the governing body of such a municipal entity whose governing body is not authorized to enact ordinances;

(18) "Other net new revenues", the amount of state sales tax increment or state income tax increment or the combination of the amount of each such increment as determined under section 99.960;

(19) "Out-of-state business", a business entity or operation that has been located outside of the state of Missouri prior to the time it relocates to a development project area;

(20) "Payment in lieu of taxes", those revenues from real property in each development project area, which taxing districts would have received had the municipality not adopted a development plan and the municipality not adopted development financing, and which would result from levies made after the time of the adoption of development financing during the time the current equalized value of real property in such development project area exceeds the total equalized value of real property in such development project area during the baseline year until development financing for such development project area expires or is terminated pursuant to sections 99.915 to 99.980;

(21) "Special allocation fund", the fund of the municipality or its authority required to be established pursuant to section 99.957 which special allocation fund shall contain at least four separate segregated accounts into which payments in lieu of taxes are deposited in one account, economic activity taxes are deposited in a second account, other net new revenues are deposited in a third account, and other revenues, if any, received by the authority or the municipality for the purpose of implementing a development plan or a development project are deposited in a fourth account;

(22) "State income tax increment", the estimate of the income tax due the state for salaries or wages paid to new employees in new jobs at a business located in the development project area and created by the development project. The estimate shall be a percentage of the gross payroll which percentage shall be based upon an analysis by the department of revenue of the practical tax rate on gross payroll as a factor in overall taxable income. In no event shall the percentage exceed two percent;

(23) "State sales tax increment", the incremental increase in the state sales tax revenue in the development project area. The incremental increase for an existing facility shall be the amount that the state sales tax revenue of the facility exceeds the state sales tax revenue of the facility in the baseline year. The incremental increase for a relocating facility shall be the amount that the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation;

(24) "State sales tax revenues", the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are

186 constitutionally dedicated, taxes deposited to the school district trust fund in accordance
187 with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and
188 outboard motors and future sales taxes earmarked by law;

189 (25) "Taxing districts", any political subdivision of this state having the power to
190 levy taxes; and

191 (26) "Taxing district's capital costs", those costs of taxing districts for capital
192 improvements that are found by the municipal governing bodies to be necessary and to
193 directly result from a development project.

99.921. Each municipality may create an authority to be known as a "Downtown
2 Economic Stimulus Authority"; provided, however:

3 (1) No such authority shall transact any business or exercise its powers under
4 sections 99.915 to 99.980 until and unless the governing body of such municipality shall,
5 in accordance with subsection 1 of section 99.948, approve, by ordinance, the exercise of
6 the powers, functions, and duties of an authority under sections 99.915 to 99.980;

7 (2) No governing body of a municipality shall adopt an ordinance pursuant to
8 subdivision (1) of this section unless it finds:

9 (a) That it would be in the interest of the public to consider the establishment of a
10 development area in accordance with sections 99.915 to 99.980;

11 (b) That the development of such a development area would be in the interest of the
12 public health, safety, morals, or welfare of the residents of such municipality; and

13 (c) That it is anticipated that such a development area can be renovated through
14 a series of one or more development projects.

99.924. 1. Each authority shall be governed by a board of commissioners. The
2 number of commissioners serving on the board of each authority shall be no less than five
3 and no more than fourteen, which number shall be established by ordinance of the
4 municipality.

5 2. One of the initial commissioners appointed pursuant to this subsection shall be
6 appointed by the school district or districts located within the development area for a term
7 of three years. The other initial commissioners appointed pursuant to this subsection shall
8 serve staggered terms of one, two, and three years as determined by the mayor or chief
9 executive officer of the municipality at the time of their appointment. Thereafter,
10 successor commissioners shall be appointed by the mayor or chief executive officer of the
11 municipality or the school district or districts making the initial appointments for a term
12 of three years. All vacancies shall be filled by appointment of the mayor or chief executive
13 officer of the municipality, or the school district or districts, for the unexpired term. In
14 addition to the commissioners appointed in accordance with this subsection, a nonvoting

15 advisor shall be appointed by the other taxing districts located within the development
16 area.

99.927. 1. The powers of the authority shall be exercised by its board of
2 commissioners. A majority of the commissioners shall constitute a quorum of such board
3 for the purpose of conducting business and exercising the powers of the authority and for
4 all other purposes. Action may be taken by the board upon a vote of a majority of the
5 commissioners present in person or by teleconference, unless in any case the bylaws of the
6 authority shall require a larger number. Meetings of the board of the authority may be
7 held anywhere within the municipality.

8 2. The commissioners of the authority annually shall elect a chair and vice chair
9 from among the commissioners; however, the first chair shall be designated by the mayor
10 for a term of one year. The mayor or chief executive officer of the municipality shall serve
11 as the co-chair of the authority. The authority may employ an executive director, technical
12 experts, and such other officers, agents, and employees, permanent and temporary, as it
13 may require, and shall determine their qualifications, duties, and compensation. For such
14 legal services as it may require, an authority may call upon the chief law officer of the
15 municipality or may employ its own counsel and legal staff.

16 3. A commissioner of an authority shall receive no compensation for his or her
17 services, but may receive the necessary expenses, including traveling expenses, incurred
18 in the discharge of his or her duties. Each commissioner shall hold office until a successor
19 has been appointed.

20 4. For inefficiency or neglect of duty or misconduct in office, a commissioner of an
21 authority may be removed by the mayor or chief executive officer of the municipality.

99.930. 1. In any suit, action, or proceeding involving the validity or enforcement
2 of or relating to any contract of an authority entered into pursuant to sections 99.915 to
3 99.980, such authority shall be conclusively deemed to have become established and
4 authorized to transact business and exercise its powers under sections 99.915 to 99.980
5 upon proof of the adoption of the appropriate ordinance prescribed in section 99.921.
6 Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under
7 sections 99.915 to 99.980 by the authority and sets forth the findings of the municipality as
8 required in subdivision (2) of section 99.921, but is not required to expressly state the
9 details supporting such findings.

10 2. A copy of such ordinance duly certified by the clerk of the municipality shall be
11 admissible in evidence in any suit, action, or proceeding.

12 3. No lawsuit to set aside the creation of an authority, the approval of a
13 development plan, development project, development area or development project area,

14 or a tax levied pursuant to sections 99.915 to 99.980, or to otherwise question the validity
15 of the proceedings related thereto, shall be brought after the expiration of ninety days from
16 the effective date of the ordinance or resolution in question.

99.933. 1. The authority shall constitute a public body corporate and politic,
2 exercising public and essential governmental functions and having all the powers necessary
3 or convenient to carry out and effectuate the purposes and provisions of sections 99.915 to
4 99.980, including the following powers in addition to others granted pursuant to sections
5 99.915 to 99.980:

6 (1) To sue and to be sued; to have a seal and to alter the same at the authority's
7 pleasure; to have perpetual succession; to make and execute contracts and other
8 instruments necessary or convenient to the exercise of the powers of the authority; and to
9 make and from time to time amend and repeal bylaws, rules, and regulations, not
10 inconsistent with sections 99.915 to 99.980, to carry out the provisions of sections 99.915
11 to 99.980;

12 (2) To prepare or cause to be prepared and approved development plans and
13 development projects to be considered at public hearings in accordance with sections
14 99.915 to 99.980 and to undertake and carry out development plans and development
15 projects which have been adopted by ordinance;

16 (3) To arrange or contract for the furnishing or repair, by any person or agency,
17 public or private, of services, privileges, streets, roads, public utilities, or other facilities for
18 or in connection with any development project; and notwithstanding anything to the
19 contrary contained in sections 99.915 to 99.980 or any other provision of law, to agree to
20 any conditions that it may deem reasonable and appropriate attached to federal financial
21 assistance and imposed pursuant to federal law relating to the determination of prevailing
22 salaries or wages or compliance with labor standards, in the undertaking or carrying out
23 of any development project, and to include in any contract let in connection with any such
24 development project provisions to fulfill such of the conditions as it may deem reasonable
25 and appropriate;

26 (4) Within a development area, to acquire by purchase, lease, gift, grant, bequest,
27 devise, or otherwise, or obtain options upon, any real or personal property or any interest
28 therein, necessary or incidental to a development project, all in the manner and at such
29 price as the authority determines is reasonably necessary to achieve the objectives of a
30 development plan;

31 (5) Within a development area, subject to provisions of section 99.936 with regard
32 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,
33 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose

34 of any real or personal property or any interest therein, all in the manner and at such price
35 and subject to any covenants, restrictions, and conditions as the authority determines is
36 reasonably necessary to achieve the objectives of a development plan; to make any such
37 covenants, restrictions, or conditions as covenants running with the land, and to provide
38 appropriate remedies for any breach of any such covenants, restrictions, or conditions,
39 including the right in the authority to terminate such contracts and any interest in the
40 property created pursuant thereto;

41 (6) Within a development area, to clear any area by demolition or removal of
42 existing buildings and structures;

43 (7) To install, repair, construct, reconstruct, or relocate streets, utilities, and site
44 improvements as necessary or desirable for the preparation of a development area for use
45 in accordance with a development plan;

46 (8) Within a development area, to fix, charge, and collect fees, rents, and other
47 charges for the use of any real or personal property, or any portion thereof, in which the
48 authority has any interest;

49 (9) To accept grants, guarantees, and donations of property, labor, or other things
50 of value from any public or private source for purposes of implementing a development
51 plan;

52 (10) In accordance with section 99.936, to select one or more developers to
53 implement a development plan, or one or more development projects, or any portion
54 thereof;

55 (11) To charge as a development project cost the reasonable costs incurred by the
56 authority, the department of economic development, the department of revenue or the
57 office of administration in evaluating, administering, or implementing the development
58 plan or any development project;

59 (12) To borrow money and issue obligations in accordance with sections 99.915 to
60 99.980 and provide security for any such loans or obligations;

61 (13) To insure or provide for the insurance of any real or personal property or
62 operations of the authority against any risks or hazards, including the power to pay
63 premiums on any such insurance; and to enter into any contracts necessary to effectuate
64 the purposes of sections 99.915 to 99.980;

65 (14) Within a development area, to renovate, rehabilitate, construct, repair, or
66 improve any improvements, buildings, parking garages, fixtures, structures, and other
67 facilities;

68 (15) Within a development area to exercise all powers and perform all functions of
69 a transportation development district pursuant to sections 238.200 to 238.275, RSMo;

70 **(16) To invest any funds held in reserves or sinking funds, or any funds not**
71 **required for immediate disbursement, in property or securities in which savings banks may**
72 **legally invest funds subject to their control; to redeem obligations at the redemption price**
73 **established therein or to purchase obligations at less than redemption price, all obligations**
74 **so redeemed or purchased to be canceled;**

75 **(17) To borrow money and to apply for and accept advances, loans, grants,**
76 **contributions, and any other form of financial assistance from the federal government, the**
77 **state, county, municipality, or other public body or from any sources, public or private, for**
78 **the purposes of implementing a development plan, to give such security as may be required**
79 **and to enter into and carry out contracts in connection therewith. An authority,**
80 **notwithstanding the provisions of any other law, may include in any contract for financial**
81 **assistance with the federal government for a project such conditions imposed pursuant to**
82 **federal law as the authority may deem reasonable and appropriate and which are not**
83 **inconsistent with the purposes of sections 99.915 to 99.980;**

84 **(18) To incur development project costs and make such expenditures as may be**
85 **necessary to carry out the purposes of sections 99.915 to 99.980; and to make expenditures**
86 **from funds obtained from the federal government without regard to any other laws**
87 **pertaining to the making and approval of appropriations and expenditures;**

88 **(19) To delegate to a municipality or other public body any of the powers or**
89 **functions of the authority with respect to the planning or undertaking of a development**
90 **project, and any such municipality or public body is hereby authorized to carry out or**
91 **perform such powers or functions for the authority;**

92 **(20) To receive and exercise powers delegated by any authority, agency, or agent**
93 **of a municipality created pursuant to this chapter or chapter 353, RSMo;**

94 **(21) To loan the proceeds of obligations issued pursuant to sections 99.915 to 99.980**
95 **for the purpose of providing for the purchase, construction, extension, and improvement**
96 **of public infrastructure related to a development project by a developer pursuant to a**
97 **development contract approved by the authority in accordance with subdivision (2) of**
98 **section 99.936;**

99 **(22) To declare any funds, or any portion thereof, in the special allocation fund to**
100 **be excess funds, so long as such excess funds have not been pledged to the payment of**
101 **outstanding obligations or outstanding development project costs, are not necessary for the**
102 **payment of development project costs incurred or anticipated to be incurred, and are not**
103 **required to pay baseline state sales taxes and baseline state withholding taxes to the**
104 **director of revenue. Any such funds deemed to be excess shall be disbursed in the manner**
105 **of surplus funds as provided in section 99.965;**

(23) To pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, except any portion that constitutes state sales taxes or state withholding taxes in amounts equal to state sales taxes or state withholding taxes for the baseline year, for the payment or reimbursement of development project costs incurred by the authority, the municipality, a developer selected by the authority in accordance with the provisions of section 99.936, or any other entity with the consent of the authority; to pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, except any portion that constitutes baseline state sales taxes or baseline state withholding taxes, or to mortgage or otherwise encumber its property, or any portion thereof, for the payment of obligations issued to finance development project costs; provided, however, any such pledge or expenditure of economic activity taxes or other net new revenues shall be subject to annual appropriation by the municipality; and

(24) To exercise all powers or parts or combinations of powers necessary, convenient, or appropriate to undertake and carry out development plans and any development projects and all the powers granted pursuant to sections 99.915 to 99.980, excluding powers of eminent domain.

2. If any member of the governing body of the municipality, a commissioner of the authority, or an employee or consultant of the municipality or authority, involved in the planning and preparation of a development project, owns or controls an interest, direct or indirect, in any property included in a development project area, the individual shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to a development project and from voting on any matter pertaining to such development project or communicating with other commissioners or members of the authority or the municipality concerning any matter pertaining to such development project. Furthermore, subject to the succeeding sentence, no such member, commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any property in a development project area or proposed development project area, after either (a) such individual obtains knowledge of a development project, or (b) first public notice of such development project, or development project area pursuant to subsection 2 of section 99.951, whichever first occurs. At any time after one year from the adoption of an ordinance designating a development project area, any commissioner may acquire an interest in real estate located in a development project area so long as any such commissioner discloses such acquisition

142 and refrains from voting on any matter related to the development project area in which
143 the property acquired by such commissioner is located.

144 3. Each municipality shall establish a minority business plan to ensure that
145 minority-owned businesses are provided good faith opportunities to participate in the
146 procurement of goods and services within the development project areas.

99.936. Real property which is acquired by an authority in a development project
2 area may be disposed of as follows:

3 (1) Within a development project area, the authority may sell, lease, exchange, or
4 otherwise transfer real property, including land, improvements, and fixtures, or any
5 interest therein, to any developer selected for a development project, or any portion
6 thereof, in accordance with the development plan, subject to such covenants, conditions,
7 and restrictions as may be deemed to be in the public interest or to carry out the purposes
8 of sections 99.915 to 99.980. Such real property shall be sold, leased, or transferred at its
9 fair market value for uses in accordance with the development plan; provided that such
10 fair market value may be less than the cost of such property to the authority. In
11 determining the fair market value of real property for uses in accordance with a
12 development plan, the authority shall take into account and give consideration to the uses
13 and purposes required by the development plan; the restrictions upon, and the covenants,
14 conditions, and obligations assumed by the developer of such property; the objectives of
15 the development plan; and such other matters as the authority shall specify as being
16 appropriate. In fixing rental and sale prices, an authority shall give consideration to
17 appraisals of the property for such uses made by experts employed by the authority;

18 (2) The authority shall, by public notice published in a newspaper having a general
19 circulation in a development area, prior to selecting one or more developers for any
20 development project, or any portion thereof, invite proposals from, and make available all
21 pertinent information to, private developers or any persons interested in undertaking the
22 development of such development project, or any portion thereof. Such notice shall be
23 published at least once each week during the two weeks preceding the selection of a
24 developer, shall identify the area of the development project or development projects, or
25 any portion thereof, for which one or more developers are to be selected, and shall state
26 that such further information as is available and may be obtained at the office of the
27 authority. The authority shall consider all proposals and the financial and legal ability of
28 the prospective developers to carry out their proposals. The authority may negotiate and
29 enter into one or more contracts with any developer selected for the development of any
30 such area for the development of such area by such developer in accordance with a
31 development plan or for the sale or lease of any real property to any such developer in any

32 such area for the purpose of developing such property in accordance with the development
33 plan. The authority may enter into any such contract as it deems to be in the public
34 interest and in furtherance of the purposes of sections 99.915 to 99.980; provided that the
35 authority has, not less than ten days prior thereto, notified the governing body in writing
36 of its intention to enter into such contract. Thereafter, the authority may execute such
37 contract in accordance with the provisions of subdivision (1) of this section and deliver
38 deeds, leases, and other instruments and take all steps necessary to effectuate such
39 contract. In its discretion, the authority may, in accordance with the provisions of this
40 subdivision, dispose of any real property in an area selected for a development project, or
41 any portion thereof, to private developers for development under such reasonable
42 competitive bidding procedures as it shall prescribe, subject to the provisions of
43 subdivision (1) of this section;

44 (3) In carrying out a development project, the authority may:

45 (a) Convey to the municipality such real property as, in accordance with the
46 development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys,
47 or other public ways, this power being additional to and not limiting any and all other
48 powers of conveyance of property to municipalities expressed, generally or otherwise, in
49 sections 99.915 to 99.980;

50 (b) Grant servitudes, easements, and rights-of-way for public utilities, sewers,
51 streets, and other similar facilities, in accordance with the development plan; and

52 (c) Convey to the municipality or other appropriate public body such real property
53 as, in accordance with the development plan, is to be used for parks, schools, public
54 buildings, facilities, or other public purposes;

55 (4) The authority may operate and maintain real property in the development area
56 pending the disposition or development of the property in accordance with a development
57 plan, without regard to the provisions of subdivisions (1) and (2) of this section, for such
58 uses and purposes as may be deemed desirable even though not in conformity with the
59 development plan.

99.939. 1. Any home rule city with more than four hundred thousand inhabitants
2 and located in more than one county, any county with a charter form of government and
3 with more than one million inhabitants, and any city not within a county may by ordinance
4 establish a fund for the purpose of providing funds to community development
5 corporations in such city for comprehensive programs within such city to stimulate
6 economic development, housing, and other public benefits leading to the development of
7 economically sustainable neighborhoods or communities, such fund to be known as the
8 "Community Development Corporation Revolving Fund".

9 **2. The community development corporation revolving fund shall be administered**
10 **by a community development corporation revolving fund board, which shall consist of**
11 **thirteen members appointed by the mayor or chief executive officer of such municipality,**
12 **of which one shall be a member of the local regional community development association,**
13 **and one shall be an owner of a minority business. The initial members shall serve**
14 **staggered terms of one, two, and three years as determined by the mayor or chief executive**
15 **officer of the municipality at the time of appointment. Thereafter, successor members shall**
16 **be appointed by the mayor or chief executive officer for a term of three years, and shall**
17 **hold office until a successor is appointed. Any member may be removed by the mayor or**
18 **chief executive officer for inefficiency, neglect of duty, or misconduct. All vacancies shall**
19 **be filled by appointment of the mayor or chief executive officer for the unexpired term.**
20 **No member shall receive compensation for the member's services, but may receive**
21 **necessary and reasonable expenses, including travel expenses, incurred in the discharge**
22 **of the member's duties.**

23 **3. Beginning January 1, 2004, up to five percent of the state sales tax increment**
24 **portion of other net new revenues generated by development projects certified for state**
25 **supplemental downtown development financing pursuant to sections 99.915 to 99.980, but**
26 **not being used for state supplemental downtown development financing, may be available**
27 **for appropriation by the general assembly to the state supplemental downtown**
28 **development fund, from the general revenue fund, for the purpose of providing grants to**
29 **cities or counties as set forth herein. A city or county described in subsection 1 of this**
30 **section may, upon application to the department of economic development, receive a grant**
31 **for deposit into the city or county community development corporation revolving fund for**
32 **the purposes of funding a community development corporation revolving fund program**
33 **pursuant to subsection 4 of this section. Any city or county otherwise eligible shall not be**
34 **denied participation in the grant program due to a lack of projects certified for state**
35 **supplemental downtown development financing, but such grants shall be limited to**
36 **incremental revenues generated from certified projects in any city or county described in**
37 **subsection 1 of this section. At no time shall the sum of the grants exceed one million five**
38 **hundred thousand dollars annually.**

39 **4. From money granted to a city or county described in subsection 1 of this section**
40 **for deposit in the community development corporation revolving fund, the city or county,**
41 **through the community development corporation revolving fund board, shall provide**
42 **grants and forgivable loans to community development corporations in such municipality**
43 **for community economic development activities implemented by such corporations. The**
44 **board shall give special funding consideration to collaborations on community**

45 development projects between developers organized for-profit and nonprofit developers.
46 All expenses for such projects shall be paid for out of the community development
47 corporation revolving fund. Any money appropriated, all payments in lieu of taxes, as
48 defined in section 99.918, and any other money made available by gift, grant, bequest,
49 contribution, or otherwise to carry out the purposes of this section, and all interest earned
50 on, and income generated from, money in the fund shall be paid to, and deposited in, the
51 community development corporation revolving fund.

99.942. 1. A development plan shall set forth in writing a general description of the
2 program to be undertaken to accomplish the development projects and related objectives
3 and shall include, but need not be limited to:

- 4 (1) The estimated development project costs;
- 5 (2) The anticipated sources of funds to pay such development project costs;
- 6 (3) Evidence of the commitments to finance such development project costs;
- 7 (4) The anticipated type and term of the sources of funds to pay such development
8 project costs;
- 9 (5) The anticipated type and terms of the obligations to be issued;
- 10 (6) The most recent equalized assessed valuation of the property within the
11 development project area;
- 12 (7) An estimate as to the equalized assessed valuation after the development project
13 area is developed in accordance with a development plan; and
- 14 (8) The general land uses to apply in the development area.

15 2. For any home rule city with more than four hundred thousand inhabitants and
16 located in more than one county, for any county with a charter form of government and
17 with more than one million inhabitants, and for any city not within a county, the authority
18 shall be required in connection with the designation of the development area, development
19 projects, and development project areas, to work with local community development
20 corporations, as defined in subsection 3 of section 135.400, RSMo, with a goal that over the
21 term of the development plan five percent of the funds generated pursuant to section
22 99.957 will be expended in connection with such projects.

23 3. The development plan may be adopted by a municipality in reliance on findings
24 that:

- 25 (1) The development area on the whole is a blighted area or a conservation area;
- 26 (2) The development area has not been subject to growth and development through
27 investment by private enterprise and would not reasonably be anticipated to be developed
28 without the implementation of one or more development projects and the adoption of
29 development financing;

30 (3) The development plan conforms to the comprehensive plan for the development
31 of the municipality as a whole;

32 (4) The estimated dates, which shall not be more than twenty-five years from the
33 adoption of the ordinance approving any development project, of the completion of such
34 development project and retirement of obligations incurred to finance development project
35 costs have been stated, provided that no ordinance approving a development project shall
36 be adopted later than fifteen years from the adoption of the ordinance approving the
37 development plan and provided that no property for a development project shall be
38 acquired by eminent domain later than ten years from the adoption of the ordinance
39 approving such development plan;

40 (5) In the event any business or residence is to be relocated as a direct result of the
41 implementation of the development plan, a plan has been developed for relocation
42 assistance for businesses and residences;

43 (6) A cost-benefit analysis showing the economic impact of the development plan
44 on the municipality and school districts that are at least partially within the boundaries of
45 the development area. The analysis shall show the impact on the economy if the
46 development projects are not built pursuant to the development plan under consideration.
47 The cost-benefit analysis shall include a fiscal impact study on each municipality and
48 school district which is at least partially within the boundaries of the development area,
49 and sufficient information from the authority to evaluate whether each development
50 project as proposed is financially feasible; and

51 (7) The development plan does not include the initial development or
52 redevelopment of any gambling establishment.

 99.945. In the event a county of this state desires to designate a development area
2 located in whole or in part within the boundaries of another municipality, such county
3 shall first obtain the permission of the governing body of such other municipality.

 99.948. 1. A municipality may:

2 (1) Approve by ordinance the exercise by the authority of the powers, functions,
3 and duties of the authority under sections 99.915 to 99.980;

4 (2) After adopting an ordinance in accordance with subdivision (1) of this
5 subsection and after receipt of recommendations from the authority in accordance with
6 subsection 2 of this section, by ordinance, designate development areas and adopt the
7 development plans, development projects, designate a development project area for each
8 development project adopted, and adopt development financing for each such development
9 project area. No development plan may be adopted until the development area is
10 designated. No development project shall be adopted until the development plan is

11 adopted and the development project area for each development project shall be
12 designated at the time of adopting the development project; and

13 (3) Exercise the powers, duties, or functions of the authority under sections 99.915
14 to 99.980.

15 2. The authority shall hold public hearings and provide notice pursuant to sections
16 99.957 and 99.960. Within ten days following the completion of any such public hearing,
17 the authority shall vote on, and shall make recommendation to the governing body of the
18 municipality with regard to, any development plan, development projects, designation of
19 a development area or amendments thereto which were proposed at such public hearing.

99.951. 1. Prior to the adoption of the ordinance designating a development area,
2 adopting a development plan, or approving a development project, the authority shall fix
3 a time and place for a public hearing and notify each taxing district located wholly or
4 partially within the boundaries of the proposed development area or development project
5 area affected. Such notice shall comply with the provisions of subsection 2 of this section.
6 At the public hearing any interested person or affected taxing district may file with the
7 authority written objections to, or comments on, and may be heard orally in respect to, any
8 issues embodied in the notice. The authority shall hear and consider all protests,
9 objections, comments, and other evidence presented at the hearing. The hearing may be
10 continued to another date without further notice other than a motion to be entered upon
11 the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion
12 of the hearing, changes may be made in the development plan, development project,
13 development area or development project area, provided that written notice of such
14 changes is available at the public hearing. After the public hearing but prior to the
15 adoption of an ordinance designating a development area, adopting a development plan
16 or approving a development project, changes may be made to any such proposed
17 development plan, development project, development area, or development project area
18 without a further hearing, if such changes do not enlarge the exterior boundaries of the
19 development area, and do not substantially affect the general land uses established in a
20 development plan or development project, provided that notice of such changes shall be
21 given by mail to each affected taxing district and by publication in a newspaper of general
22 circulation in the development area or development project area, as applicable, not less
23 than ten days prior to the adoption of the changes by ordinance. After the adoption of an
24 ordinance designating the development area, adopting a development plan, approving a
25 development project, or designating a development project area, no ordinance shall be
26 adopted altering the exterior boundaries of the development area or a development project
27 area, affecting the general land uses established pursuant to the development plan or the

28 general nature of a development project without holding a public hearing in accordance
29 with this section. One public hearing may be held for the simultaneous consideration of
30 a development area, development plan, development project, or development project area.

31 2. Notice of the public hearing required by section 99.951 shall be given by
32 publication and mailing. Notice by publication shall be given by publication at least twice,
33 the first publication to be not more than thirty days and the second publication to be not
34 more than ten days prior to the hearing, in a newspaper of general circulation in the
35 proposed development area or development project area, as applicable, and in two
36 minority newspapers, if such newspapers are published in the municipality, of which one
37 shall be published in the Spanish language, if such a newspaper is published in the
38 municipality. Notice by mailing shall be given by depositing such notice in the United
39 States mail by certified mail addressed to the person or persons in whose name the general
40 taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying
41 within the proposed development area or development project area, as applicable, which
42 is to be subjected to the payment or payments in lieu of taxes and economic activity taxes
43 pursuant to section 99.957. Such notice shall be mailed not less than ten days prior to the
44 date set for the public hearing. In the event taxes for the last preceding year were not paid,
45 the notice shall also be sent to the persons last listed on the tax rolls within the preceding
46 three years as the owners of such property.

47 3. The notices issued pursuant to this section shall include the following:

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

49 (2) The general boundaries of the proposed development area or development
50 project area, as applicable, by street location, where possible;

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

53 (4) A description of the development plan and the proposed development projects
54 and a location and time where the entire development plan or development projects
55 proposed may be reviewed by any interested party;

56 (5) An estimate of other net new revenues; and

57 (6) Such other matters as the authority may deem appropriate.

58 4. Not less than forty-five days prior to the date set for the public hearing, the
59 authority shall give notice by mail as provided in subsection 2 of this section to all taxing
60 districts with jurisdiction over taxable property in the development area or development
61 project area, as applicable, and in addition to the other requirements pursuant to
62 subsection 3 of this section, the notice shall include an invitation to each taxing district to
63 submit comments to the authority concerning the subject matter of the hearing prior to the

64 date of the hearing.

65 **5. A copy of any and all hearing notices required by section 99.951 shall be**
66 **submitted by the authority to the director of the department of economic development and**
67 **the time such notices are mailed or published, as applicable.**

99.954. 1. For the purpose of financing development project costs, obligations may
2 **be issued by the municipality, or, at the request of the municipality, by the authority or any**
3 **other political subdivision authorized to issue bonds, but in no event by the state, to pay**
4 **or reimburse development project costs. Such obligations, when so issued, shall be retired**
5 **in the manner provided in the ordinance or resolution authorizing the issuance of such**
6 **obligations.**

7 **2. Obligations issued pursuant to sections 99.915 to 99.980 may be issued in one or**
8 **more series bearing interest at such rate or rates as the issuing entity shall determine by**
9 **ordinance or resolution. Such obligations shall bear such date or dates, be in such**
10 **denomination, carry such registration privileges, be executed in such manner, be payable**
11 **in such medium of payment at such place or places, contain such covenants, terms, and**
12 **conditions, and be subject to redemption as such ordinance or resolution shall provide.**
13 **Obligations issued pursuant to sections 99.915 to 99.980 may be sold at public or private**
14 **sale at such price as shall be determined by the issuing entity and shall state that**
15 **obligations issued pursuant to sections 99.915 to 99.980 are special obligations payable**
16 **solely from the funds specifically pledged. No referendum approval of the electors shall**
17 **be required as a condition to the issuance of obligations pursuant to sections 99.915 to**
18 **99.980.**

19 **3. In the event the obligations contain a recital that they are issued pursuant to**
20 **sections 99.915 to 99.980, such recital shall be conclusive evidence of their validity and of**
21 **the regularity of their issuance.**

22 **4. Neither the municipality, the authority, or any other entity issuing such**
23 **obligations, or the members, commissioners, directors, or the officers of any such entities**
24 **nor any person executing any obligation shall be personally liable for such obligation by**
25 **reason of the issuance thereof. The obligations issued pursuant to sections 99.915 to 99.980**
26 **shall not be a general obligation of the state, the municipality, or any political subdivision**
27 **thereof, nor in any event shall such obligation be payable out of any funds or properties**
28 **other than those specifically pledged as security for such obligations. The obligations shall**
29 **not constitute indebtedness within the meaning of any constitutional, statutory, or charter**
30 **debt limitation or restriction.**

31 **5. Obligations issued pursuant to sections 99.915 to 99.980 may be issued to refund,**
32 **in whole or in part, obligations theretofore issued by such entity under the authority of**

33 sections 99.915 to 99.980, whether at or prior to maturity; provided, however, that the last
34 maturity of the refunding obligations shall not be expressed to mature later than the last
35 maturity date of the obligations to be refunded.

36 6. In the event a municipality or authority issues obligations under home rule
37 powers or other legislative authority, the proceeds of which are pledged to pay for
38 development project costs, the municipality may retire such obligations from funds in the
39 special allocation fund in amounts and in such manner as if such obligations had been
40 issued pursuant to the provisions of sections 99.915 to 99.980.

99.957. 1. A municipality, after designating a development area, adopting a
2 development plan, and adopting any development project in conformance with the
3 procedures of sections 99.915 to 99.980, may adopt development financing for the
4 development project area selected for any such development project by passing an
5 ordinance. Upon the adoption of the first of any such ordinances, the municipality shall
6 establish, or shall direct the authority to establish, a special allocation fund for the
7 development area.

8 2. Immediately upon the adoption of a resolution or ordinance adopting
9 development financing for a development project area pursuant to subsection 1 of this
10 section, the county assessor shall determine the total equalized assessed value of all taxable
11 real property within such development project area by adding together the most recently
12 ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real
13 property within such development project area as of the date of the adoption of such
14 resolution or ordinance and shall provide to the clerk of the municipality written
15 certification of such amount as the total initial equalized assessed value of the taxable real
16 property within such development project area.

17 3. In each of the twenty-five calendar years following the adoption of an ordinance
18 adopting development financing for a development project area pursuant to subsection 1
19 of this section unless and until development financing for such development project area
20 is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu
21 of taxes, if any, arising from the levies upon taxable real property in such development
22 project area by taxing districts at the tax rates determined in the manner provided in
23 section 99.968 shall be divided as follows:

24 (1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,
25 tract, or parcel of real property in such development project area which is attributable to
26 the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real
27 property in such development project area as certified by the county assessor in
28 accordance with subsection 2 of this section shall be allocated to and, when collected, shall

29 be paid by the collecting authority to the respective affected taxing districts in the manner
30 required by law in the absence of the adoption of development financing;

31 (2) Payments in lieu of taxes attributable to the increase in the current equalized
32 assessed valuation of each taxable lot, block, tract, or parcel of real property in the
33 development project area and any applicable penalty and interest over and above the
34 initial equalized assessed value of each such taxable lot, block, tract, or parcel of real
35 property in such development project area as certified by the county assessor in
36 accordance with subsection 2 of this section shall be allocated to and, when collected, shall
37 be paid to the collecting officer of the municipality who shall deposit such payment in lieu
38 of taxes into a separate segregated account for payments in lieu of taxes within the special
39 fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the
40 real property from which such payments in lieu of taxes are derived and shall be collected
41 in the same manner as real property taxes, including the assessment of penalties and
42 interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the
43 same manner as the lien of real property taxes. No part of the current equalized assessed
44 valuation of each lot, block, tract, or parcel of property in any such development project
45 area attributable to any increase above the initial equalized assessed value of each such
46 taxable lot, block, tract, or parcel of real property in such development project area as
47 certified by the county assessor in accordance with subsection 2 of this section shall be used
48 in calculating the general state school aid formula provided for in section 163.031, RSMo,
49 until development financing for such development project area expires or is terminated in
50 accordance with sections 99.915 to 99.980;

51 (3) For purposes of this section, "levies upon taxable real property in such
52 development area by taxing districts" shall not include the blind pension fund tax levied
53 under the authority of section 38(b), article III, of the Missouri Constitution, the
54 merchants' and manufacturers' inventory replacement tax levied under the authority of
55 subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax,
56 or the conservation taxes.

57 4. In each of the twenty-five calendar years following the adoption of an ordinance
58 or resolution adopting development financing for a development project area pursuant to
59 subsection 1 of this section unless and until development financing for such development
60 project area is terminated in accordance with sections 99.915 to 99.980, fifty percent of the
61 economic activity taxes from such development project area shall be allocated to, and paid
62 by the collecting officer of any such economic activity tax to, the treasurer or other
63 designated financial officer of the municipality, who shall deposit such funds in a separate
64 segregated account for economic activity taxes within the special allocation fund.

99.960. 1. A municipality may submit an application to the Missouri development finance board for approval of the use of other net new revenues to fund one or more development projects through state supplemental downtown development financing. An application submitted to the Missouri development finance board shall contain the following, in addition to the items set forth in section 99.942:

(1) An estimate that one hundred percent of the payments in lieu of taxes and economic activity taxes deposited to the special allocation fund must and will be used to pay development project costs or obligations issued to finance development project costs to achieve the objectives of the development plan. Contributions to the development project from any private not-for-profit organization or local contributions from tax abatement or other sources may be substituted on a dollar for dollar basis for the local match of one hundred percent of payments in lieu of taxes and economic activity taxes from the fund;

(2) Identification of the existing businesses located within the development project area and the development area;

(3) The aggregate baseline year amount of state sales tax revenues and the aggregate baseline year amount of state income tax withheld on behalf of existing employees, reported by existing businesses within the development project area. Provisions of section 32.057, RSMo, notwithstanding, municipalities will provide this information to the department of revenue for verification. The department of revenue will verify the information provided by the municipalities within forty-five days of receiving a request for such verification from a municipality;

(4) An estimate of the state sales tax increment and state income tax increment within the development project area after redevelopment;

(5) An affidavit that is signed by the developer or developers attesting that the provision of subdivision (2) of subsection 3 of section 99.942 has been met and specifying that the development area would not be reasonably anticipated to be developed without the appropriation of the other net new revenues;

(6) The amounts and types of other net new revenues sought by the applicant as state supplemental downtown development financing;

(7) The methodologies and underlying assumptions used in determining the estimate of the state sales tax increment and the state income tax increment;

(8) Any other information reasonably requested by the Missouri development finance board.

2. The Missouri development finance board shall make all reasonable efforts to process applications within sixty days of receipt of the application.

37 **3. The Missouri development finance board shall make a determination regarding**
38 **state supplemental downtown development financing and shall forward such**
39 **determination to the director of the department of economic development. In no event**
40 **shall the amount of state supplemental downtown development financing approved for a**
41 **project, in addition to any other economic development funding or incentives, exceed the**
42 **projected state benefit of the development project, as determined by the department of**
43 **economic development. Upon approval of state supplemental downtown development**
44 **financing, a certificate of approval shall be issued by the department of economic**
45 **development containing the terms and limitations of the financing.**

46 **4. At no time shall the annual amount of other net new revenues approved for state**
47 **supplemental downtown development financing exceed one hundred million dollars.**

48 **5. Development projects receiving other net new revenues shall be limited to**
49 **receiving such revenues for fifteen years, unless specific approval for a longer term is given**
50 **by the director of the department of economic development and the commissioner of the**
51 **office of administration, as set forth in the certificate of approval; except that, in no case**
52 **shall the duration exceed twenty-five years. The approved term notwithstanding, state**
53 **supplemental downtown development financing shall terminate when development**
54 **financing for a development project is terminated by a municipality.**

55 **6. The department of economic development may charge a reasonable fee, to be**
56 **submitted with an application for state supplemental downtown development financing,**
57 **in an amount reasonably estimated to recover the costs for personnel and other expenses**
58 **incurred by the department of revenue, the department of economic development, the**
59 **office of administration and the Missouri development finance board in processing the**
60 **application. Such fees shall be deposited into the state supplemental downtown**
61 **development fund created under section 99.963.**

62 **7. Development project costs may include, at the prerogative of the state, the**
63 **portion of salaries and expenses of the department of economic development and the**
64 **department of revenue reasonably allocable to each development project approved for**
65 **state supplemental downtown development financing for the ongoing administrative**
66 **functions associated with such development project. Such amounts shall be deposited into**
67 **the state supplemental downtown development fund created under section 99.963.**

68 **8. A development project approved for state supplemental downtown development**
69 **financing may not thereafter elect to receive tax increment financing pursuant to the real**
70 **property tax increment allocation redevelopment act, sections 99.800 to 99.865, and**
71 **continue to receive state supplemental downtown development financing pursuant to**
72 **sections 99.915 to 99.980.**

73 **9. The director of the department of economic development shall issue regulations**
74 **and publish forms to implement the provisions of this section and section 99.963.**

99.963. 1. There is hereby established within the state treasury a special fund to
2 **be known as the "State Supplemental Downtown Development Fund", to be administered**
3 **by the department of economic development. The fund shall consist of money:**

- 4 **(1) Appropriated from the general revenue fund;**
5 **(2) Received from fees charged pursuant to subsection 7 of section 99.960;**
6 **(3) Received from costs charged pursuant to subsection 8 of section 99.960; and**
7 **(4) From any gifts, contributions, grants, or bequests received from federal, private,**
8 **or other sources.**

9 **2. The general assembly may annually appropriate, into the state supplemental**
10 **downtown development fund an amount not to exceed an amount equal to:**

- 11 **(1) Other net new revenues generated by the development projects during the prior**
12 **fiscal year plus fifty million dollars; or**
13 **(2) One hundred fifty million dollars;**

14
15 **whichever is less.**

16 **3. The department of economic development shall annually disburse state**
17 **supplemental downtown development financing from the state supplemental downtown**
18 **development fund in amounts determined pursuant to the certificates of approval for**
19 **projects, providing all of the conditions of sections 99.915 to 99.980 are met. If the**
20 **revenues appropriated into the state supplemental downtown development fund are not**
21 **sufficient to equal the amounts determined to be disbursed pursuant to such certificates**
22 **of approval, the department of economic development shall disburse the revenues on a pro**
23 **rata basis to all such projects and other costs approved pursuant to section 5 of this section.**

24 **4. Money in the state supplemental downtown development fund may be spent for**
25 **the reasonable and necessary costs associated with the administration of the program**
26 **authorized under sections 99.915 to 99.980.**

27 **5. No municipality shall obligate or commit the expenditure of other net new**
28 **revenues prior to receiving a certificate of approval for the development project generating**
29 **such other net new revenues.**

99.965. 1. When all development project costs and all obligations issued to finance
2 **development project costs have been paid in full, the municipality shall adopt an ordinance**
3 **terminating development financing for all development project areas. Immediately upon**
4 **the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes,**
5 **and other net new revenues then remaining in the special allocation fund shall be deemed**

6 to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and
7 taxes levied, collected, and distributed in the manner applicable in the absence of the
8 adoption of development financing. Surplus payments in lieu of taxes shall be paid to the
9 county collector who shall immediately thereafter pay such funds to the taxing districts in
10 the development area selected in the same manner and proportion as the most recent
11 distribution by the collector to the affected taxing districts of real property taxes from real
12 property in the development area. Surplus economic activity taxes shall be paid to the
13 taxing districts in the development area in proportion to the then current levy rates of such
14 taxing districts that are attributable to economic activity taxes. Surplus other net new
15 revenues shall be paid to the state. Any other funds remaining in the special allocation
16 fund following the adoption of an ordinance terminating development financing in
17 accordance with this section shall be deposited to the general fund of the municipality.

18 2. Upon the payment of all development project costs, retirement of obligations, and
19 the distribution of any surplus funds pursuant to this section, the municipality shall adopt
20 an ordinance dissolving the special allocation fund and terminating the designation of the
21 development area as a development area.

22 3. Nothing in sections 99.915 to 99.980 shall be construed as relieving property in
23 such areas from paying a uniform rate of taxes, as required by section 3, article X of the
24 Missouri Constitution.

 99.968. In each of the twenty-five calendar years following the adoption of an
2 ordinance adopting development financing for a development project area, unless and until
3 development financing for such development project area is terminated by ordinance of
4 the municipality, then, in respect to every taxing district containing such development
5 project area, the county clerk, or any other official required by law to ascertain the amount
6 of the equalized assessed value of all taxable property within such development project
7 area for the purpose of computing any debt service levies to be extended upon taxable
8 property within such development project area, shall in every year that development
9 financing is in effect ascertain the amount of value of taxable property in such development
10 project area by including in such amount the certified total initial equalized assessed value
11 of all taxable real property in such development project area in lieu of the equalized
12 assessed value of all taxable real property in such development project area. For the
13 purpose of measuring the size of payments in lieu of taxes under sections 99.915 to 99.980,
14 all tax levies shall then be extended to the current equalized assessed value of all property
15 in the development project area in the same manner as the tax rate percentage is extended
16 to all other taxable property in the taxing district.

 99.971. Beginning in 2008, and every five years thereafter, a joint committee of the

2 general assembly, comprised of five members appointed by the speaker of the house of
3 representatives and five members appointed by the president pro tempore of the senate,
4 shall review sections 99.915 to 99.980. A report based on such review, with any
5 recommended legislative changes, shall be submitted to the speaker of the house of
6 representatives and the president pro tempore of the senate no later than February first
7 following the year in which the review is conducted.

99.975. No new Missouri downtown economic stimulus act applications shall be
2 approved after January 1, 2013.

99.980. 1. By the last day of February each year, the authority shall report to the
2 director of the department of economic development the name, address, phone number,
3 and primary line of business of any business which relocates to the development area.

4 2. Each year the governing body of the municipality, or its designee, shall prepare
5 a report concerning the status of the development plan, the development area, and the
6 included development projects, and shall submit a copy of such report to the director of
7 the department of economic development. The report shall include the following:

- 8 (1) The amount and source of revenue in the special allocation fund;
- 9 (2) The amount and purpose of expenditures from the special allocation fund;
- 10 (3) The amount of any pledge of revenues, including principal and interest on any
11 outstanding bonded indebtedness;
- 12 (4) The original assessed value of the development area;
- 13 (5) The assessed valuation added to the development area;
- 14 (6) Payments made in lieu of taxes received and expended;
- 15 (7) The economic activity taxes generated within the development area in the
16 baseline year;
- 17 (8) The economic activity taxes generated within the development area after the
18 baseline year;
- 19 (9) Reports on contracts made incident to the implementation and furtherance of
20 a development area, the development plan, and the included development projects;
- 21 (10) A copy of the development plan;
- 22 (11) The cost of any property acquired, disposed of, rehabilitated, reconstructed,
23 repaired, or remodeled;
- 24 (12) The number of parcels acquired by or through initiation of eminent domain
25 proceedings;
- 26 (13) For municipalities with more than four hundred thousand inhabitants, the
27 number of development projects developed in connection with community development
28 corporations and the amount of funds generated pursuant to section 99.957 which are

29 expended in connection with such project; and

30 (14) Any additional information the department of economic development deems
31 necessary.

32 3. Data contained in the report mandated pursuant to the provisions of subsection
33 1 of this section and any information regarding amounts disbursed to municipalities
34 pursuant to the provisions of sections 99.957 and 99.960 shall be deemed a public record,
35 as defined in section 610.010, RSMo.

36 4. The director of the department of economic development shall submit a report
37 to the governor, the speaker of the house of representatives, and the president pro tempore
38 of the senate no later than April thirtieth of each year. The report shall contain a summary
39 of all information received by the director of economic development pursuant to subsection
40 2 of this section.

41 5. An annual statement showing the payments made in lieu of taxes received and
42 expended in that year, the status of the development area, the development plan, and the
43 development projects in the development plan, the amount of outstanding obligations, and
44 any additional information that the municipality deems necessary shall be published in a
45 newspaper of general circulation in the municipality.

46 6. Five years after the establishment of the development area and the development
47 plan and every five years thereafter the governing body of the authority shall hold a public
48 hearing regarding the development area and the development plan and the development
49 projects adopted pursuant to sections 99.915 to 99.980. The purpose of the hearing shall
50 be to determine if the development area, development plan, and the included development
51 projects are making satisfactory progress under the proposed time schedule contained
52 within the approved development plan for completion of such development projects.
53 Notice of such public hearing shall be given in a newspaper of general circulation in the
54 area served by the authority once each week for four weeks immediately prior to the
55 hearing.