

FIRST REGULAR SESSION

[CORRECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 863

93RD GENERAL ASSEMBLY

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Reported from the Committee on Job Creation and Economic Development April 6, 2005 with recommendation that House Committee Substitute for House Bill No. 863 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

2076L.03C

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## AN ACT

To amend chapter 99, RSMo, by adding thereto six new sections relating to tax incentives for economic development.

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

Section A. Chapter 99, RSMo, is amended by adding thereto six new sections, to be known as sections 99.1080, 99.1082, 99.1086, 99.1088, 99.1090, and 99.1092, to read as follows:

**99.1080. Sections 99.1080 to 99.1092 shall be known and may be cited as the "Downtown Revitalization Preservation Program".**

**99.1082. As used in sections 99.1080 to 99.1092, unless the context clearly requires otherwise, the following terms shall mean:**

**(1) "Baseline year", the calendar year prior to the adoption of an ordinance by the municipality approving a redevelopment project; provided, however, if economic activity taxes or state sales tax revenues, from businesses other than any out-of-state business or businesses locating in the redevelopment project area, decrease in the redevelopment project area in the year following the year in which the ordinance approving a redevelopment project is approved by a municipality, the baseline year may, at the option of the municipality approving the redevelopment project, be the year following the year of the adoption of the ordinance approving the redevelopment project. When a**

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

11 redevelopment project area is located within a county for which public and individual  
12 assistance has been requested by the governor under Section 401 of the Robert T. Stafford  
13 Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency  
14 proclaimed by the governor under section 44.100, RSMo, due to a natural disaster of major  
15 proportions and the redevelopment project area is a central business district that sustained  
16 severe damage as a result of such natural disaster, as determined by the state emergency  
17 management agency, the baseline year may, at the option of the municipality approving the  
18 redevelopment project, be the calendar year in which the natural disaster occurred or the  
19 year following the year in which the natural disaster occurred, provided that the  
20 municipality adopts an ordinance approving the redevelopment project within one year  
21 after the occurrence of the natural disaster;

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

29 (3) "Central business district", the area at or near the historic core that is locally  
30 known as the "downtown" of a municipality that has a median household income of  
31 sixty-two thousand dollars or less, according to the last decennial census. In addition, at  
32 least fifty percent of existing buildings in this area will have been built in excess of  
33 thirty-five years prior or vacant lots that had prior structures built in excess of thirty-five  
34 years prior to the adoption of the ordinance approving the redevelopment plan. The  
35 historical land use emphasis of a central business district prior to redevelopment will have  
36 been a mixed use of business, commercial, financial, transportation, government, and  
37 multifamily residential uses;

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

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

48 (5) "Gambling establishment", an excursion gambling boat as defined in section  
49 313.800, RSMo, and any related business facility including any real property  
50 improvements which are directly and solely related to such business facility, whose sole  
51 purpose is to provide goods or services to an excursion gambling boat and whose majority  
52 ownership interest is held by a person licensed to conduct gambling games on an excursion  
53 gambling boat or licensed to operate an excursion gambling boat as provided in sections  
54 313.800 to 313.850, RSMo;

55 (6) "Local sales tax increment", at least fifty percent of the local sales tax revenue  
56 from taxes that are imposed by a municipality and its county, and that are generated by  
57 economic activities within a redevelopment area over the amount of such taxes generated  
58 by economic activities within such a redevelopment area in the calendar year prior to the  
59 adoption of the ordinance designating such a redevelopment area while financing under  
60 sections 99.1080 to 99.1092 remains in effect, but excluding personal property taxes, taxes  
61 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and  
62 motels, licenses, fees, or special assessments. For redevelopment projects or redevelopment  
63 plans approved after August 28, 2005, if a retail establishment relocates within one year  
64 from one facility within the same county and the governing body of the municipality finds  
65 that the retail establishment is a direct beneficiary of tax increment financing, then for the  
66 purposes of this subdivision, the economic activity taxes generated by the retail  
67 establishment shall equal the total additional revenues from economic activity taxes that  
68 are imposed by a municipality or other taxing district over the amount of economic activity  
69 taxes generated by the retail establishment in the calendar year prior to its relocation to  
70 the redevelopment area;

71 (7) "Local sales tax revenue", city sales tax revenues received under sections 94.500  
72 to 94.550, RSMo, and county sales tax revenues received under sections 67.500 to 67.594,  
73 RSMo;

74 (8) "Major initiative", a development project within a central business district  
75 which promotes tourism, cultural activities, arts, entertainment, education, research,  
76 arenas, multipurpose facilities, libraries, ports, mass transit, museums, economic  
77 development, or conventions for the municipality, and where the capital investment within  
78 the redevelopment project area is:

79 (a) At least five million dollars for a project area within a city having a population  
80 of one hundred thousand to one hundred ninety nine thousand one hundred and ninety-  
81 nine inhabitants;

82 (b) At least one million dollars for a project area within a city having a population  
83 of fifty thousand to ninety-nine thousand nine hundred and ninety-nine inhabitants;

84 (c) At least five hundred thousand dollars for a project area within a city having  
85 a population of one to forty-nine thousand nine hundred and ninety-nine inhabitants;

86 (9) "Municipality", any city or county of this state having fewer than two hundred  
87 thousand inhabitants;

88 (10) "Obligations", bonds, loans, debentures, notes, special certificates, or other  
89 evidences of indebtedness issued by the municipality or authority, or other public entity  
90 authorized to issue such obligations under sections 99.1080 to 99.1092 to carry out a  
91 redevelopment project or to refund outstanding obligations;

92 (11) "Ordinance", an ordinance enacted by the governing body of any  
93 municipality;

94 (12) "Redevelopment area", an area designated by a municipality in respect to  
95 which the municipality has made a finding that there exist conditions which cause the area  
96 to be classified as a blighted area or a conservation area, which area shall have the  
97 following characteristics:

98 (a) It can be renovated through one or more redevelopment projects;

99 (b) It is located in the central business district;

100 (c) The redevelopment area shall not exceed ten percent of the entire geographic  
101 area of the municipality.

102

103 Subject to the limitation set forth in this subdivision, the redevelopment area can be  
104 enlarged or modified as provided in section 99.1088;

105 (13) "Redevelopment plan", the comprehensive program of a municipality to  
106 reduce or eliminate those conditions which qualify a redevelopment area as a blighted area  
107 or a conservation area, and to thereby enhance the tax bases of the taxing districts which  
108 extend into the redevelopment area through the reimbursement, payment, or other  
109 financing of redevelopment project costs in accordance with sections 99.1080 to 99.1092  
110 and through application for and administration of downtown revitalization preservation  
111 program financing under sections 99.1080 to 99.1092;

112 (14) "Redevelopment project", any redevelopment project within a redevelopment  
113 area which constitutes a major initiative in furtherance of the objectives of the  
114 redevelopment plan, and any such redevelopment project shall include a legal description  
115 of the area selected for such redevelopment project;

116 (15) "Redevelopment project area", the area located within a redevelopment area  
117 selected for a redevelopment project;

118           **(16) "Redevelopment project costs", include such costs to the redevelopment plan**  
119 **or a redevelopment project, as applicable, which are expended on public property,**  
120 **buildings, or rights-of-ways for public purposes to provide infrastructure to support a**  
121 **redevelopment project, including facades. Such costs shall only be allowed as an initial**  
122 **expense which, to be recoverable, must be included in the costs of a redevelopment plan**  
123 **or redevelopment project, except in circumstances of plan amendments approved by the**  
124 **department of economic development. Such infrastructure costs include, but are not**  
125 **limited to, the following:**

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

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

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

132           **(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public**  
133 **buildings and fixtures;**

134           **(e) Costs of construction of public works or improvements;**

135           **(f) Financing costs, including, but not limited to, all necessary expenses related to**  
136 **the issuance of obligations issued to finance all or any portion of the infrastructure costs**  
137 **of one or more redevelopment projects, and which may include capitalized interest on any**  
138 **such obligations and reasonable reserves related to any such obligations;**

139           **(g) All or a portion of a taxing district's capital costs resulting from any**  
140 **redevelopment project necessarily incurred or to be incurred in furtherance of the**  
141 **objectives of the redevelopment plan, to the extent the municipality by written agreement**  
142 **accepts and approves such infrastructure costs;**

143           **(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes**  
144 **diverted by approval of a redevelopment project when all debt is retired;**

145           **(i) State government costs, including, but not limited to, the reasonable costs**  
146 **incurred by the department of economic development and the department of revenue in**  
147 **evaluating an application for and administering downtown revitalization preservation**  
148 **financing for a redevelopment project;**

149           **(17) "State sales tax increment", up to one-half of the incremental increase in the**  
150 **state sales tax revenue in the redevelopment project area provided the local taxing**  
151 **jurisdictions commit one-half of their local sales tax to paying for redevelopment project**  
152 **costs. The incremental increase shall be the amount by which the state sales tax revenue**  
153 **generated at the facility or within the redevelopment project area exceeds the state sales**

154 tax revenue generated at the facility or within the redevelopment project area in the  
155 baseline year. For redevelopment projects or redevelopment plans approved after August  
156 28, 2005, if a retail establishment relocates within one year from one facility to another  
157 facility within the same county and the governing body of the municipality finds that the  
158 retail establishment is a direct beneficiary of tax increment financing, then for the purposes  
159 of this subdivision, the economic activity taxes generated by the retail establishment shall  
160 equal the total additional revenues from economic activity taxes that are imposed by a  
161 municipality or other taxing district over the amount of economic activity taxes generated  
162 by the retail establishment in the calendar year prior to the relocation to the redevelopment  
163 area;

164 (18) "State sales tax revenues", the general revenue portion of state sales tax  
165 revenues received under section 144.020, RSMo, excluding sales taxes that are  
166 constitutionally dedicated, taxes deposited to the school district trust fund in accordance  
167 with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and  
168 outboard motors and future sales taxes earmarked by law;

169 (19) "Taxing districts", any political subdivision of this state having the power to  
170 levy taxes;

171 (20) "Taxing district's capital costs", those costs of taxing districts for capital  
172 improvements that are found by the municipal governing bodies to be necessary and to  
173 directly result from a redevelopment project.

99.1086. 1. A redevelopment plan shall set forth in writing a general description  
2 of the program to be undertaken to accomplish the redevelopment projects and related  
3 objectives and shall include, but need not be limited to:

4 (1) The name, street and mailing address, and phone number of the mayor or chief  
5 executive officer of the municipality;

6 (2) The street address of the redevelopment site;

7 (3) The estimated redevelopment project costs;

8 (4) The anticipated sources of funds to pay such redevelopment project costs;

9 (5) Evidence of the commitments to finance such redevelopment project costs;

10 (6) The anticipated type and term of the sources of funds to pay such  
11 redevelopment project costs;

12 (7) The anticipated type and terms of the obligations to be issued;

13 (8) The general land uses to apply in the redevelopment area;

14 (9) A list of other community and economic benefits to result from the project;

15           **(10) A list of all other public investments made or to be made by this state or units**  
16 **of local government to support infrastructure or other needs generated by the project for**  
17 **which the funding under sections 99.1080 to 99.1092 is being sought;**

18           **(11) A certification by the chief officer of the applicant as to the accuracy of the**  
19 **redevelopment plan;**

20           **(12) A study analyzing the revenues that are being displaced as a result of the**  
21 **project that otherwise would have occurred in the market area;**

22           **(13) An economic feasibility analysis including a pro forma financial statement**  
23 **indicating the return on investment that may be expected without public assistance. The**  
24 **financial statement shall detail any assumptions made including a pro forma statement**  
25 **analysis that demonstrates the amount of assistance required to bring the return into a**  
26 **range deemed attractive to private investors. That amount shall not exceed the estimated**  
27 **reimbursable project costs.**

28           **2. The redevelopment plan may be adopted by a municipality in reliance on**  
29 **findings that a reasonable person would believe:**

30           **(1) The redevelopment area on the whole is a blighted area or a conservation area**  
31 **as determined by an independent third party. Such a finding shall include, but not be**  
32 **limited to, a detailed description of the factors that qualify the redevelopment area or**  
33 **project under this subsection;**

34           **(2) The redevelopment area has not been subject to growth and redevelopment**  
35 **through investment by private enterprise or would not reasonably be anticipated to**  
36 **develop or continue to be developed without the implementation of one or more**  
37 **redevelopment projects and the adoption of local and state redevelopment financing;**

38           **(3) The redevelopment plan conforms to the comprehensive plan for the**  
39 **redevelopment of the municipality as a whole;**

40           **(4) The estimated dates, which shall not be more than twenty-five years from the**  
41 **adoption of the ordinance approving any redevelopment project, of the completion of such**  
42 **redevelopment project and retirement of obligations incurred to finance redevelopment**  
43 **project costs have been stated, provided that no ordinance approving a redevelopment**  
44 **project shall be adopted later than fifteen years from the adoption of the ordinance**  
45 **approving the redevelopment plan and provided that no property for a redevelopment**  
46 **project shall be acquired by eminent domain later than ten years from the adoption of the**  
47 **ordinance approving such redevelopment plan;**

48           **(5) In the event any business or residence is to be relocated as a direct result of the**  
49 **implementation of the redevelopment plan, a plan has been developed for relocation**  
50 **assistance for businesses and residences; and**

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

**99.1088. 1.** Prior to the adoption of the ordinance designating a redevelopment  
2 area, adopting a redevelopment plan, or approving a redevelopment project, the  
3 municipality or authority shall fix a time and place for a public hearing and notify each  
4 taxing district located wholly or partially within the boundaries of the proposed  
5 redevelopment area or redevelopment project area affected. Such notice shall comply with  
6 the provisions of subsection 2 of this section. At the public hearing any interested person  
7 or affected taxing district may file with the municipality or authority written objections to,  
8 or comments on, and may be heard orally in respect to, any issues regarding the plan or  
9 issues embodied in the notice. The municipality or authority shall hear and consider all  
10 protests, objections, comments, and other evidence presented at the hearing. The hearing  
11 may be continued to another date without further notice other than a motion to be entered  
12 upon the minutes fixing the time and place of the subsequent hearing. Prior to the  
13 conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment  
14 project, redevelopment area or redevelopment project area, provided that written notice  
15 of such changes is available at the public hearing. After the public hearing but prior to the  
16 adoption of an ordinance designating a redevelopment area, adopting a redevelopment  
17 plan or approving a redevelopment project, changes may be made to any such proposed  
18 redevelopment plan, redevelopment project, redevelopment area, or redevelopment project  
19 area without a further hearing, if such changes do not enlarge the exterior boundaries of  
20 the redevelopment area, and do not substantially affect the general land uses established  
21 in a redevelopment plan or redevelopment project, provided that notice of such changes  
22 shall be given by mail to each affected taxing district and by publication in a newspaper  
23 of general circulation in the redevelopment area or redevelopment project area, as  
24 applicable, not less than ten days prior to the adoption of the changes by ordinance. After  
25 the adoption of an ordinance designating the redevelopment area, adopting a  
26 redevelopment plan, approving a redevelopment project, or designating a redevelopment  
27 project area, no ordinance shall be adopted altering the exterior boundaries of the  
28 redevelopment area or a redevelopment project area affecting the general land uses  
29 established under the redevelopment plan or the general nature of a redevelopment project  
30 without holding a public hearing in accordance with this section. One public hearing may  
31 be held for the simultaneous consideration of a redevelopment area, redevelopment plan,  
32 redevelopment project, or redevelopment project area.

33           **2.** Notice of the public hearing required by this section shall be given by publication  
34 and mailing. Notice by publication shall be given by publication at least twice, the first



35 publication to be not more than thirty days and the second publication to be not more than  
36 ten days prior to the hearing, in a newspaper of general circulation in the proposed  
37 redevelopment area or redevelopment project area, as applicable. Notice by mailing shall  
38 be given by depositing such notice in the United States mail by certified mail addressed to  
39 the person or persons in whose name the general taxes for the last preceding year were  
40 paid on each lot, block, tract, or parcel of land lying within the proposed redevelopment  
41 area or redevelopment project area, as applicable. Such notice shall be mailed not less  
42 than ten working days prior to the date set for the public hearing.

43 3. The notices issued under this section shall include the following:

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

45 (2) The general boundaries of the proposed redevelopment area or redevelopment  
46 project area, as applicable, by street location, where possible;

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

49 (4) A description of the redevelopment plan and the proposed redevelopment  
50 projects and a location and time where the entire redevelopment plan or redevelopment  
51 projects proposed may be reviewed by any interested party;

52 (5) A statement that redevelopment financing involving tax revenues is being  
53 sought for the project and an estimate of the amount of local redevelopment financing that  
54 will be requested, if applicable; and

55 (6) Such other matters as the municipality or authority may deem appropriate.

56 4. Not less than forty-five days prior to the date set for the public hearing, the  
57 municipality or authority shall give notice by mail as provided in subsection 2 of this  
58 section to all taxing districts whose taxes are affected in the redevelopment area or  
59 redevelopment project area, as applicable, and in addition to the other requirements under  
60 subsection 3 of this section, the notice shall include an invitation to each taxing district to  
61 submit comments to the municipality or authority concerning the subject matter of the  
62 hearing prior to the date of the hearing.

63 5. A copy of any and all hearing notices required by this section shall be submitted  
64 by the municipality or authority to the director of the department of economic development  
65 and the date such notices were mailed or published, as applicable.

99.1090. 1. A municipality shall submit an application to the department of  
2 economic development for review and determination as to approval of the disbursement  
3 of the project costs of one or more redevelopment projects from the downtown  
4 revitalization preservation fund. The department of economic development shall forward  
5 the application to the commissioner of the office of administration for approval. In no

6 event shall any approval authorize a disbursement of one or more redevelopment projects  
7 from the downtown revitalization preservation fund which exceeds the allowable amount  
8 of other net new revenues derived from the redevelopment area. An application submitted  
9 to the department of economic development shall contain the following, in addition to the  
10 items set forth in section 99.1086:

11 (1) An estimate that one hundred percent of the local sales tax increment deposited  
12 to the special allocation fund must and will be used to pay redevelopment project costs or  
13 obligations issued to finance redevelopment project costs to achieve the objectives of the  
14 redevelopment plan;

15 (2) Identification of the existing businesses located within the redevelopment  
16 project area and the redevelopment area;

17 (3) The aggregate baseline year amount of state sales tax revenues reported by  
18 existing businesses within the redevelopment project area. Provisions of section 32.057,  
19 RSMo, notwithstanding, municipalities will provide this information to the department of  
20 revenue for verification. The department of revenue will verify the information provided  
21 by the municipalities within forty-five days of receiving a request for such verification from  
22 a municipality;

23 (4) An estimate of the state sales tax increment within the redevelopment project  
24 area after redevelopment;

25 (5) An affidavit that is signed by the developer or developers attesting that the  
26 provision of subdivision (2) of subsection 2 of section 99.1086 has been met;

27 (6) The amounts and types of other net new revenues sought by the applicant to be  
28 disbursed from the downtown revitalization preservation fund over the term of the  
29 redevelopment plan;

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

32 (8) Any other information reasonably requested by the department of economic  
33 development.

34 2. The department of economic development shall make all reasonable efforts to  
35 process applications within a reasonable amount of time.

36 3. The department of economic development shall make a determination regarding  
37 the application for a certificate allowing disbursements from the downtown revitalization  
38 preservation fund and shall forward such determination to the commissioner of the office  
39 of administration. In no event shall the amount of disbursements from the downtown  
40 revitalization preservation fund approved for a project, in addition to any other state  
41 economic redevelopment funding or other state incentives, exceed the projected state

42 benefit of the redevelopment project, as determined by the department of economic  
43 development through a cost-benefit analysis. Any political subdivision located either  
44 wholly or partially within the redevelopment area shall be permitted to submit information  
45 to the department of economic development for consideration in its cost-benefit analysis.  
46 Upon approval of downtown revitalization preservation financing, a certificate of approval  
47 shall be issued by the department of economic development containing the terms and  
48 limitations of the disbursement.

49 4. At no time shall the annual amount of other net new revenues approved for  
50 disbursements from the downtown revitalization preservation fund exceed fifteen million  
51 dollars.

52 5. Redevelopment projects receiving disbursements from the downtown  
53 revitalization preservation fund shall be limited to receiving such disbursements for  
54 twenty-five years. The approved term notwithstanding, downtown revitalization  
55 preservation financing shall terminate when redevelopment financing for a redevelopment  
56 project is terminated by a municipality.

57 6. The municipality shall deposit payments received from the downtown  
58 revitalization preservation redevelopment fund in a separate segregated account for other  
59 net new revenues within the special allocation fund.

60 7. Redevelopment project costs may include, at the prerogative of the state, the  
61 portion of salaries and expenses of the department of economic development and the  
62 department of revenue reasonably allocable to each redevelopment project approved for  
63 disbursements from the downtown revitalization preservation fund for the ongoing  
64 administrative functions associated with such redevelopment project. Such amounts shall  
65 be recovered from new state revenues deposited into the downtown revitalization  
66 preservation fund created under section 99.1092.

67 8. A redevelopment project approved for downtown revitalization preservation  
68 financing shall not thereafter elect to receive tax increment financing under the real  
69 property tax increment allocation redevelopment act, sections 99.800 to 99.865, and  
70 continue to receive downtown revitalization financing under sections 99.1080 to 99.1092.

71 9. The department of economic development may establish the procedures and  
72 standards for the determination and approval of applications by the promulgation of rules  
73 and publish forms to implement the provisions of this section and section 99.1092.

74 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,  
75 that is created under the authority delegated in this section and section 99.1092 shall  
76 become effective only if it complies with and is subject to all of the provisions of chapter  
77 536, RSMo, and, if applicable, section 536.028, RSMo. This section, section 99.1092, and

78 chapter 536, RSMo, are nonseverable and if any of the powers vested with the general  
79 assembly under chapter 536, RSMo, to review, to delay the effective date, or to disapprove  
80 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
81 authority and any rule proposed or adopted after August 28, 2005, shall be invalid and  
82 void.

99.1092. 1. There is hereby established within the state treasury a special fund to  
2 be known as the "Downtown Revitalization Preservation Fund", to be administered by the  
3 department of economic development. Any unexpended balance and any interest in the  
4 fund at the end of the biennium shall be exempt from the provisions of section 33.080,  
5 RSMo, relating to the transfer of unexpended balances to the general revenue fund. The  
6 fund shall consist of:

- 7 (1) The first fifteen million dollars of other net new revenues generated annually  
8 by the redevelopment projects;
- 9 (2) Money received from costs charged under subsection 7 of section 99.1090; and
- 10 (3) Gifts, contributions, grants, or bequests received from federal, private, or other  
11 sources.

12 2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the  
13 department of revenue shall annually submit the first fifteen million dollars of other net  
14 new revenues generated by the redevelopment projects to the treasurer for deposit in the  
15 downtown revitalization preservation fund.

16 3. The department of economic development shall annually disburse funds from  
17 the downtown revitalization preservation fund in amounts determined under the  
18 certificates of approval for projects, providing that the amounts of other net new revenues  
19 generated from the redevelopment area have been verified and all of the conditions of  
20 sections 99.1080 to 99.1092 are met. If the revenues appropriated from the downtown  
21 revitalization preservation fund are not sufficient to equal the amounts determined to be  
22 disbursed under such certificates of approval, the department of economic development  
23 shall disburse the revenues on a pro rata basis to all such projects and other costs approved  
24 under section 99.1090.

25 4. In no event shall the amounts distributed to a project from the downtown  
26 revitalization preservation fund exceed the lesser of the amount of the certificates of  
27 approval for projects or the actual other net new revenues generated by the projects.

28 5. The department of economic development shall not disburse any moneys from  
29 the downtown revitalization preservation fund for any project which has not complied with  
30 the annual reporting requirements determined by the department of economic  
31 development.

32           **6. Money in the downtown revitalization preservation fund may be spent for the**  
33 **reasonable and necessary costs associated with the administration of the program**  
34 **authorized under sections 99.1080 to 99.1092.**

35           **7. No municipality shall obligate or commit the expenditure of disbursements**  
36 **received from the downtown revitalization preservation fund prior to receiving a certificate**  
37 **of approval for the redevelopment project generating other net new revenues. In addition,**  
38 **no municipality shall commence work on a redevelopment project prior to receiving a**  
39 **certificate of approval for the redevelopment project.**

40           **8. Taxpayers in any redevelopment area who are required to remit sales taxes**  
41 **under chapter 144, RSMo, shall provide additional information to the department of**  
42 **revenue in a form prescribed by the department by rule. Such information shall include,**  
43 **but shall not be limited to, information upon which other net new revenues can be**  
44 **calculated and sales tax generated in the redevelopment area by such taxpayer in the**  
45 **baseline year and during the time period related to the sales tax remittance.**

46           **9. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**  
47 **that is created pursuant to the authority delegated in this section shall become effective**  
48 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**  
49 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**  
50 **nonseverable and if any of the powers vested with the general assembly pursuant to**  
51 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**  
52 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**  
53 **rule proposed or adopted after August 28, 2003, shall be invalid and void.**