

FIRST REGULAR SESSION

HOUSE BILL NO. 863

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WASSON (Sponsor), RICHARD, PEARCE,
CUNNINGHAM (145), BROWN (30), YAEGER, DEMPSEY, ROARK, DETHROW, SANDER,
WRIGHT (137), GOODMAN, DUSENBERG, DIXON AND VIEBROCK (Co-sponsors).

Read 1st time March 30, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2076L.011

AN ACT

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

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

Section A. Chapter 99, RSMo, is amended by adding thereto seven new sections, to be
2 known as sections 99.1080, 99.1082, 99.1084, 99.1086, 99.1088, 99.1090, and 99.1092, to read
3 as follows:

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

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

3 (1) **"Baseline year", the calendar year prior to the adoption of an ordinance by the**
4 **municipality approving a development project; provided, however, if economic activity**
5 **taxes or state sales tax revenues, from businesses other than any out-of-state business or**
6 **businesses locating in the development project area, decrease in the development project**
7 **area in the year following the year in which the ordinance approving a development**
8 **project is approved by a municipality, the baseline year may, at the option of the**
9 **municipality approving the development project, be the year following the year of the**
10 **adoption of the ordinance approving the development project. When a development**
11 **project area is located within a county for which public and individual assistance has been**

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.

12 requested by the governor under Section 401 of the Robert T. Stafford Disaster Relief and
13 Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the
14 governor under section 44.100, RSMo, due to a natural disaster of major proportions and
15 the development project area is a central business district that sustained severe damage as
16 a result of such natural disaster, as determined by the state emergency management
17 agency, the baseline year may, at the option of the municipality approving the development
18 project, be the calendar year in which the natural disaster occurred or the year following
19 the year in which the natural disaster occurred, provided that the municipality adopts an
20 ordinance approving the development project within one year after the occurrence of the
21 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) "Development area", an area designated by a municipality in respect to which
49 the municipality has made a finding that there exist conditions which cause the area to be
50 classified as a blighted area or a conservation area, which area shall have the following
51 characteristics:

52 (a) It can be renovated through one or more development projects;

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

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

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

59

60 Subject to the limitation set forth in this subdivision, the development area can be enlarged
61 or modified as provided in section 99.1088;

62 (6) "Development plan", the comprehensive program of a municipality to reduce
63 or eliminate those conditions which qualify a development area as a blighted area or a
64 conservation area, and to thereby enhance the tax bases of the taxing districts which extend
65 into the development area through the reimbursement, payment, or other financing of
66 development project costs in accordance with sections 99.1080 to 99.1092 and through
67 application for and administration of downtown revitalization preservation program
68 financing under sections 99.1080 to 99.1092;

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

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

75 (9) "Development project costs" include such costs to the development plan or a
76 development project, as applicable, which are expended on public property, buildings, or
77 rights-of-ways for public purposes to provide infrastructure to support for a development
78 project. Such costs shall only be allowed as an initial expense which, to be recoverable,
79 must be included in the costs of a development plan or development project, except in
80 circumstances of plan amendments approved by the Missouri development finance board
81 and the department of economic development. Such infrastructure costs include, but are
82 not limited to, the following:

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

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

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

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

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

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

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

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

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

106 (12) "Economic activity taxes", the total additional revenue from taxes which are
107 imposed by a municipality and other taxing districts, and which are generated by economic
108 activities within a redevelopment area over the amount of such taxes generated by
109 economic activities within such a redevelopment area in the calendar year prior to the
110 adoption of the ordinance designating such a redevelopment area while financing under
111 sections 99.1080 to 99.1092 remains in effect, but excluding personal property taxes, taxes
112 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and
113 motels, licenses, fees, or special assessments. For redevelopment projects or redevelopment
114 plans approved after August 28, 2005, if a retail establishment relocates within one year
115 from one facility within the same county and the governing body of the municipality finds
116 that the retail establishment is a direct beneficiary of tax increment financing, then for the
117 purposes of this subdivision, the economic activity taxes generated by the retail
118 establishment shall equal the total additional revenues from economic activity taxes that
119 are imposed by a municipality or other taxing district over the amount of economic activity

120 taxes generated by the retail establishment in the calender year prior to its relocation to
121 the redevelopment area;

122 (13) "Gambling establishment", an excursion gambling boat as defined in section
123 313.800, RSMo, and any related business facility including any real property
124 improvements which are directly and solely related to such business facility, whose sole
125 purpose is to provide goods or services to an excursion gambling boat and whose majority
126 ownership interest is held by a person licensed to conduct gambling games on an excursion
127 gambling boat or licensed to operate an excursion gambling boat as provided in sections
128 313.800 to 313.850, RSMo;

129 (14) "Major initiative", a development project within a central business district
130 which promotes tourism, cultural activities, arts, entertainment, education, research,
131 arenas, multipurpose facilities, libraries, ports, mass transit, museums, economic
132 development, or conventions for the municipality, and where the capital investment within
133 the development project area is:

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

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

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

141 (15) "Municipality", any city or county of this state having fewer than two hundred
142 thousand inhabitants;

143 (16) "Obligations", bonds, loans, debentures, notes, special certificates, or other
144 evidences of indebtedness issued by the municipality or authority, or other public entity
145 authorized to issue such obligations under sections 99.1080 to 99.1092 to carry out a
146 development project or to refund outstanding obligations;

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

149 (18) "State sales tax increment", up to one-half of the incremental increase in the
150 state sales tax revenue in the development project area provided the local taxing
151 jurisdictions commit one-half of their local sales tax to paying for development 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 development project area exceeds the state sales tax
154 revenue generated at the facility or within the development project area in the baseline
155 year. For redevelopment projects or redevelopment plans approved after August 28, 2005,

156 if a retail establishment relocates within one year from one facility to another facility
157 within the same county and the governing body of the municipality finds that the retail
158 establishment is a direct beneficiary of tax increment financing, then for the purposes of
159 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 (19) "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 (20) "Taxing districts", any political subdivision of this state having the power to
170 levy taxes;

171 (21) "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 development project.

99.1084. Notwithstanding sections 99.1080 to 99.1092, for development projects that
2 result in the relocation of an out-of-state business or out-of-state businesses to the
3 development project area, the portion of the state sales tax increment and other revenues
4 generated by such out-of-state business or businesses shall be calculated based upon the
5 full amount of tax revenue generated by such out-of-state business or out-of-state
6 businesses without reduction due to revenues generated in the baseline year.

99.1086. 1. A development plan shall set forth in writing a general description of
2 the program to be undertaken to accomplish the development 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 development site;

7 (3) The estimated development project costs;

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

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

10 (6) The anticipated type and term of the sources of funds to pay such development
11 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 development 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 **development plan.**
- 20 **2. The development plan may be adopted by a municipality in reliance on findings**
21 **that a reasonable person would believe:**
- 22 **(1) The development area on the whole is a blighted area or a conservation area.**
23 **Such a finding shall include, but not be limited to, a detailed description of the factors that**
24 **qualify the development area or project under this subsection;**
- 25 **(2) The development area has not been subject to growth and development through**
26 **investment by private enterprise or would not reasonably be anticipated to develop or**
27 **continue to be developed without the implementation of one or more development projects**
28 **and the adoption of local and state development financing;**
- 29 **(3) The development plan conforms to the comprehensive plan for the development**
30 **of the municipality as a whole;**
- 31 **(4) The estimated dates, which shall not be more than twenty-five years from the**
32 **adoption of the ordinance approving any development project, of the completion of such**
33 **development project and retirement of obligations incurred to finance development project**
34 **costs have been stated, provided that no ordinance approving a development project shall**
35 **be adopted later than fifteen years from the adoption of the ordinance approving the**
36 **development plan and provided that no property for a development project shall be**
37 **acquired by eminent domain later than ten years from the adoption of the ordinance**
38 **approving such development plan;**
- 39 **(5) In the event any business or residence is to be relocated as a direct result of the**
40 **implementation of the development plan, a plan has been developed for relocation**
41 **assistance for businesses and residences; and**
- 42 **(6) The development plan does not include the initial development or**
43 **redevelopment of any gambling establishment.**

2 **99.1088. 1. Prior to the adoption of the ordinance designating a development area,**
3 **adopting a development plan, or approving a development project, the municipality or**
4 **authority shall fix a time and place for a public hearing and notify each taxing district**
5 **located wholly or partially within the boundaries of the proposed development area or**
6 **development project area affected. Such notice shall comply with the provisions of**

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

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

- 42 **3. The notices issued under this section shall include the following:**
43 **(1) The time and place of the public hearing;**
44 **(2) The general boundaries of the proposed development area or development**
45 **project area, as applicable, by street location, where possible;**
46 **(3) A statement that all interested persons shall be given an opportunity to be heard**
47 **at the public hearing;**
48 **(4) A description of the development plan and the proposed development projects**
49 **and a location and time where the entire development plan or development projects**
50 **proposed may be reviewed by any interested party;**
51 **(5) A statement that development financing involving tax revenues and payments**
52 **in lieu of taxes is being sought for the project and an estimate of the amount of local**
53 **development financing that will be requested, if applicable; and**
54 **(6) Such other matters as the municipality or authority may deem appropriate.**
55 **4. Not less than forty-five days prior to the date set for the public hearing, the**
56 **municipality or authority shall give notice by mail as provided in subsection 2 of this**
57 **section to all taxing districts whose taxes are affected in the development area or**
58 **development project area, as applicable, and in addition to the other requirements under**
59 **subsection 3 of this section, the notice shall include an invitation to each taxing district to**
60 **submit comments to the municipality or authority concerning the subject matter of the**
61 **hearing prior to the date of the hearing.**
62 **5. A copy of any and all hearing notices required by this section shall be submitted**
63 **by the municipality or authority to the director of the department of economic development**
64 **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 submission of an analysis and recommendation to
3 the Missouri development finance board for a determination as to approval of the
4 disbursement of the project costs of one or more development projects from the downtown
5 revitalization preservation fund. The department of economic development shall forward
6 the application to the Missouri development finance board with the analysis and
7 recommendation. In no event shall any approval authorize a disbursement of one or more
8 development projects from the downtown revitalization preservation fund which exceeds
9 the allowable amount of other net new revenues derived from the development area. An
10 application submitted to the department of economic development shall contain the
11 following, in addition to the items set forth in section 99.1086:

- 12 **(1) An estimate that one hundred percent of the payments in lieu of taxes and**
13 **economic activity taxes deposited to the special allocation fund must and will be used to**

14 pay development project costs or obligations issued to finance development project costs
15 to achieve the objectives of the development plan. Contributions to the development project
16 from any private not-for-profit organization or local contributions from tax abatement or
17 other sources may be substituted on a dollar-for-dollar basis for the local match of one
18 hundred percent of payments in lieu of taxes and economic activity taxes from the fund;

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

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

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

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

32 (6) The amounts and types of other net new revenues sought by the applicant to be
33 disbursed from the downtown revitalization preservation fund over the term of the
34 development plan;

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

37 (8) Any other information reasonably requested by the department of economic
38 development and the Missouri development finance board.

39 2. The department of economic development shall make all reasonable efforts to
40 process applications within sixty days of receipt of the application.

41 3. The Missouri development finance board shall make a determination regarding
42 the application for a certificate allowing disbursements from the downtown revitalization
43 preservation fund and shall forward such determination to the director of the department
44 of economic development. In no event shall the amount of disbursements from the
45 downtown revitalization preservation fund approved for a project, in addition to any other
46 state economic development funding or other state incentives, exceed the projected state
47 benefit of the development project, as determined by the department of economic
48 development through a cost-benefit analysis. Any political subdivision located either
49 wholly or partially within the development area shall be permitted to submit information

50 to the department of economic development for consideration in its cost-benefit analysis.
51 Upon approval of downtown revitalization preservation financing, a certificate of approval
52 shall be issued by the department of economic development containing the terms and
53 limitations of the disbursement.

54 4. At no time shall the annual amount of other net new revenues approved for
55 disbursements from the downtown revitalization preservation fund exceed one hundred
56 fifty million dollars.

57 5. Development projects receiving disbursements from the downtown revitalization
58 preservation fund shall be limited to receiving such disbursements for twenty years, unless
59 specific approval for a longer term is given by the director of the department of economic
60 development, as set forth in the certificate of approval; except that, in no case shall the
61 duration exceed twenty-five years. The approved term notwithstanding, downtown
62 revitalization preservation financing shall terminate when development financing for a
63 development project is terminated by a municipality.

64 6. The municipality shall deposit payments received from the downtown
65 revitalization preservation development fund in a separate segregated account for other
66 net new revenues within the special allocation fund.

67 7. Development project costs may include, at the prerogative of the state, the
68 portion of salaries and expenses of the department of economic development, the Missouri
69 development finance board, and the department of revenue reasonably allocable to each
70 development project approved for disbursements from the downtown revitalization
71 preservation fund for the ongoing administrative functions associated with such
72 development project. Such amounts shall be recovered from other net new revenues
73 deposited into the downtown revitalization pilot preservation fund created under section
74 99.1092.

75 8. A development project approved for downtown revitalization preservation
76 financing shall not thereafter elect to receive tax increment financing under the real
77 property tax increment allocation redevelopment act, sections 99.800 to 99.865, and
78 continue to receive downtown revitalization financing under sections 99.1080 to 99.1092.

79 9. The department of economic development, in conjunction with the Missouri
80 development finance board, may establish the procedures and standards for the
81 determination and approval of applications by the promulgation of rules and publish
82 forms to implement the provisions of this section and section 99.1092.

83 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
84 that is created under the authority delegated in this section and section 99.1092 shall
85 become effective only if it complies with and is subject to all of the provisions of chapter

86 **536, RSMo, and, if applicable, section 536.028, RSMo. This section, section 99.1092, and**
87 **chapter 536, RSMo, are nonseverable and if any of the powers vested with the general**
88 **assembly under chapter 536, RSMo, to review, to delay the effective date, or to disapprove**
89 **and annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
90 **authority and any rule proposed or adopted after August 28, 2005, shall be invalid and**
91 **void.**

92 **11. The Missouri development finance board shall consider parity based on**
93 **population and geography of the state among the regions of the state in making**
94 **determinations on applications under this section.**

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 one hundred fifty million dollars of other net new revenues generated**
8 **annually by the development 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 one hundred fifty million dollars of**
14 **other net new revenues generated by the development projects to the treasurer for deposit**
15 **in the small town 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 development 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 development project generating other net new revenues.**

38 **8. Taxpayers in any development area who are required to remit sales taxes under**
39 **chapter 144, RSMo, or income tax withholdings under chapter 143, RSMo, shall provide**
40 **additional information to the department of revenue in a form prescribed by the**
41 **department by rule. Such information shall include but shall not be limited to information**
42 **upon which other net new revenues can be calculated, and shall include the number of new**
43 **jobs, the gross payroll for such jobs, and sales tax generated in the development area by**
44 **such taxpayer in the baseline year and during the time period related to the withholding**
45 **or 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.**