

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 863
93RD GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, May 4, 2005, with recommendation that the Senate Committee Substitute do pass.

2076S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 99, RSMo, by adding thereto six 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 six new sections, to
2 be known as sections 99.1080, 99.1082, 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
2 the "Downtown Revitalization Preservation Program".**

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

3 (1) "Baseline year", the calendar year prior to the adoption of an
4 ordinance by the municipality approving a redevelopment project; provided,
5 however, if local sales tax revenue or state sales tax revenues, from
6 businesses other than any out-of-state business or businesses locating in the
7 redevelopment project area, decrease in the redevelopment project area in
8 the year following the year in which the ordinance approving a
9 redevelopment project is approved by a municipality, the baseline year may,
10 at the option of the municipality approving the redevelopment project, be the
11 year following the year of the adoption of the ordinance approving the
12 redevelopment project. When a redevelopment project area is located within
13 a county for which public and individual assistance has been requested by the
14 governor under Section 401 of the Robert T. Stafford Disaster Relief and
15 Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed
16 by the governor under section 44.100, RSMo, due to a natural disaster of

17 major proportions and the redevelopment project area is a central business
18 district that sustained severe damage as a result of such natural disaster, as
19 determined by the state emergency management agency, the baseline year
20 may, at the option of the municipality approving the redevelopment project,
21 be the calendar year in which the natural disaster occurred or the year
22 following the year in which the natural disaster occurred, provided that the
23 municipality adopts an ordinance approving the redevelopment project
24 within one year after the occurrence of the natural disaster;

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

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

43 (4) "Conservation area", any improved area within the boundaries of a
44 redevelopment area located within the territorial limits of a municipality in
45 which fifty percent or more of the structures in the area have an age of
46 thirty-five years or more, and such an area is not yet a blighted area but is
47 detrimental to the public health, safety, morals, or welfare and may become
48 a blighted area because of any one or more of the following factors:
49 dilapidation; obsolescence; deterioration; illegal use of individual structures;
50 presence of structures below minimum code standards; abandonment;
51 excessive vacancies; overcrowding of structures and community facilities;
52 lack of ventilation, light or sanitary facilities; inadequate utilities; excessive
53 land coverage; deleterious land use or layout; depreciation of physical

54 maintenance; and lack of community planning;

55 (5) "Gambling establishment", an excursion gambling boat as defined
56 in section 313.800, RSMo, and any related business facility including any real
57 property improvements which are directly and solely related to such business
58 facility, whose sole purpose is to provide goods or services to an excursion
59 gambling boat and whose majority ownership interest is held by a person
60 licensed to conduct gambling games on an excursion gambling boat or
61 licensed to operate an excursion gambling boat as provided in sections
62 313.800 to 313.850, RSMo;

63 (6) "Local sales tax increment", at least fifty percent of the local sales
64 tax revenue from taxes that are imposed by a municipality and its county, and
65 that are generated by economic activities within a redevelopment area over
66 the amount of such taxes generated by economic activities within such a
67 redevelopment area in the calendar year prior to the adoption of the
68 ordinance designating such a redevelopment area while financing under
69 sections 99.1080 to 99.1092 remains in effect, but excluding personal property
70 taxes, taxes imposed on sales or charges for sleeping rooms paid by transient
71 guests of hotels and motels, licenses, fees, or special assessments. For
72 redevelopment projects or redevelopment plans approved after August 28,
73 2005, if a retail establishment relocates within one year from one facility
74 within the same county and the governing body of the municipality finds that
75 the retail establishment is a direct beneficiary of tax increment financing,
76 then for the purposes of this subdivision, the economic activity taxes
77 generated by the retail establishment shall equal the total additional
78 revenues from economic activity taxes that are imposed by a municipality or
79 other taxing district over the amount of economic activity taxes generated by
80 the retail establishment in the calendar year prior to its relocation to the
81 redevelopment area;

82 (7) "Local sales tax revenue", city sales tax revenues received under
83 sections 94.500 to 94.550, RSMo, and county sales tax revenues received under
84 sections 67.500 to 67.594, RSMo;

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

90 (a) At least five million dollars for a project area within a city having

91 a population of one hundred thousand to one hundred ninety nine thousand
92 nine hundred and ninety-nine inhabitants;

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

96 (c) At least five hundred thousand dollars for a project area within a
97 city having a population of ten thousand to forty-nine thousand nine hundred
98 and ninety-nine inhabitants; or

99 (d) At least two hundred fifty thousand dollars for a project area
100 within a city having a population of one to nine thousand nine hundred and
101 ninety nine inhabitants.

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

104 (10) "Obligations", bonds, loans, debentures, notes, special certificates,
105 or other evidences of indebtedness issued by the municipality or authority,
106 or other public entity authorized to issue such obligations under sections
107 99.1080 to 99.1092 to carry out a redevelopment project or to refund
108 outstanding obligations;

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

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

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

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

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

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

121 (13) "Redevelopment plan", the comprehensive program of a
122 municipality to reduce or eliminate those conditions which qualify a
123 redevelopment area as a blighted area or a conservation area, and to thereby
124 enhance the tax bases of the taxing districts which extend into the
125 redevelopment area through the reimbursement, payment, or other financing
126 of redevelopment project costs in accordance with sections 99.1080 to 99.1092
127 and through application for and administration of downtown revitalization

128 **preservation program financing under sections 99.1080 to 99.1092;**

129 **(14) "Redevelopment project", any redevelopment project within a**
130 **redevelopment area which constitutes a major initiative in furtherance of the**
131 **objectives of the redevelopment plan, and any such redevelopment project**
132 **shall include a legal description of the area selected for such redevelopment**
133 **project;**

134 **(15) "Redevelopment project area", the area located within a**
135 **redevelopment area selected for a redevelopment project;**

136 **(16) "Redevelopment project costs", include such costs to the**
137 **redevelopment plan or a redevelopment project, as applicable, which are**
138 **expended on public property, buildings, or rights-of-ways for public purposes**
139 **to provide infrastructure to support a redevelopment project, including**
140 **facades. Such costs shall only be allowed as an initial expense which, to be**
141 **recoverable, must be included in the costs of a redevelopment plan or**
142 **redevelopment project, except in circumstances of plan amendments approved**
143 **by the department of economic development. Such infrastructure costs**
144 **include, but are not limited to, the following:**

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

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

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

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

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

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

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

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

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

172 (17) "State sales tax increment", up to one-half of the incremental
173 increase in the state sales tax revenue in the redevelopment project area
174 provided the local taxing jurisdictions commit one-half of their local sales tax
175 to paying for redevelopment project costs. The incremental increase shall be
176 the amount by which the state sales tax revenue generated at the facility or
177 within the redevelopment project area exceeds the state sales tax revenue
178 generated at the facility or within the redevelopment project area in the
179 baseline year. For redevelopment projects or redevelopment plans approved
180 after August 28, 2005, if a retail establishment relocates within one year from
181 one facility to another facility within the same county and the governing body
182 of the municipality finds that the retail establishment is a direct beneficiary
183 of tax increment financing, then for the purposes of this subdivision, the
184 economic activity taxes generated by the retail establishment shall equal the
185 total additional revenues from economic activity taxes that are imposed by
186 a municipality or other taxing district over the amount of economic activity
187 taxes generated by the retail establishment in the calendar year prior to the
188 relocation to the redevelopment area;

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

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

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

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

3 **projects and related objectives and shall include, but need not be limited to:**

4 **(1) The name, street and mailing address, and phone number of the**
5 **mayor or chief 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**
9 **costs;**

10 **(5) Evidence of the commitments to finance such redevelopment project**
11 **costs;**

12 **(6) The anticipated type and term of the sources of funds to pay such**
13 **redevelopment project costs;**

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

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

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

18 **(10) A list of all other public investments made or to be made by this**
19 **state or units of local government to support infrastructure or other needs**
20 **generated by the project for which the funding under sections 99.1080 to**
21 **99.1092 is being sought;**

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

24 **(12) A study analyzing the revenues that are being displaced as a result**
25 **of the project that otherwise would have occurred in the market area. The**
26 **department of economic development shall have the discretion to exempt**
27 **smaller projects from this requirement;**

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

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

37 **(1) The redevelopment area on the whole is a blighted area or a**
38 **conservation area as determined by an independent third party. Such a**
39 **finding shall include, but not be limited to, a detailed description of the**

40 factors that qualify the redevelopment area or project under this subsection;

41 (2) The redevelopment area has not been subject to growth and
42 redevelopment through investment by private enterprise or would not
43 reasonably be anticipated to develop or continue to be developed without the
44 implementation of one or more redevelopment projects and the adoption of
45 local and state redevelopment financing;

46 (3) The redevelopment plan conforms to the comprehensive plan for the
47 redevelopment of the municipality as a whole;

48 (4) The estimated dates, which shall not be more than twenty-five years
49 from the adoption of the ordinance approving any redevelopment project, of
50 the completion of such redevelopment project and retirement of obligations
51 incurred to finance redevelopment project costs have been stated, provided
52 that no ordinance approving a redevelopment project shall be adopted later
53 than fifteen years from the adoption of the ordinance approving the
54 redevelopment plan and provided that no property for a redevelopment
55 project shall be acquired by eminent domain later than ten years from the
56 adoption of the ordinance approving such redevelopment plan;

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

60 (6) The redevelopment plan does not include the initial development
61 or redevelopment of any gambling establishment.

99.1088. 1. Prior to the adoption of the ordinance designating a
2 redevelopment area, adopting a redevelopment plan, or approving a
3 redevelopment project, the municipality or authority shall fix a time and
4 place for a public hearing and notify each taxing district located wholly or
5 partially within the boundaries of the proposed redevelopment area or
6 redevelopment project area affected. Such notice shall comply with the
7 provisions of subsections 2 and 3 of this section. At the public hearing any
8 interested person or affected taxing district may file with the municipality or
9 authority written objections to, or comments on, and may be heard orally in
10 respect to, any issues regarding the plan or issues embodied in the
11 notice. The municipality or authority shall hear and consider all protests,
12 objections, comments, and other evidence presented at the hearing. The
13 hearing may be continued to another date without further notice other than
14 a motion to be entered upon the minutes fixing the time and place of the
15 subsequent hearing. Prior to the conclusion of the hearing, changes may be

16 made in the redevelopment plan, redevelopment project, redevelopment area
17 or redevelopment project area, provided that written notice of such changes
18 is available at the public hearing. After the public hearing but prior to the
19 adoption of an ordinance designating a redevelopment area, adopting a
20 redevelopment plan or approving a redevelopment project, changes may be
21 made to any such proposed redevelopment plan, redevelopment project,
22 redevelopment area, or redevelopment project area without a further hearing,
23 if such changes do not enlarge the exterior boundaries of the redevelopment
24 area, and do not substantially affect the general land uses established in a
25 redevelopment plan or redevelopment project, provided that notice of such
26 changes shall be given by mail to each affected taxing district and by
27 publication in a newspaper of general circulation in the redevelopment area
28 or redevelopment project area, as applicable, not less than ten days prior to
29 the adoption of the changes by ordinance. After the adoption of an ordinance
30 designating the redevelopment area, adopting a redevelopment plan,
31 approving a redevelopment project, or designating a redevelopment project
32 area, no ordinance shall be adopted altering the exterior boundaries of the
33 redevelopment area or a redevelopment project area affecting the general
34 land uses established under the redevelopment plan or the general nature of
35 a redevelopment project without holding a public hearing in accordance with
36 this section. One public hearing may be held for the simultaneous
37 consideration of a redevelopment area, redevelopment plan, redevelopment
38 project, or redevelopment project area.

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

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

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

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

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

57 (4) A description of the redevelopment plan and the proposed
58 redevelopment projects and a location and time where the entire
59 redevelopment plan or redevelopment projects proposed may be reviewed by
60 any interested party;

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

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

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

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

 99.1090. 1. A municipality shall submit an application to the
2 department of economic development for review and determination as to
3 approval of the disbursement of the project costs of one or more
4 redevelopment projects from the downtown revitalization preservation
5 fund. The department of economic development shall forward the application
6 to the commissioner of the office of administration for approval. In no event
7 shall any approval authorize a disbursement of one or more redevelopment
8 projects from the downtown revitalization preservation fund which exceeds
9 the allowable amount of other net new revenues derived from the
10 redevelopment area. An application submitted to the department of economic
11 development shall contain the following, in addition to the items set forth in
12 section 99.1086:

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

18 (2) Identification of the existing businesses located within the
19 redevelopment project area and the redevelopment area;

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

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

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

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

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

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

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

41 3. The department of economic development shall make a
42 determination regarding the application for a certificate allowing
43 disbursements from the downtown revitalization preservation fund and shall
44 forward such determination to the commissioner of the office of
45 administration. In no event shall the amount of disbursements from the
46 downtown revitalization preservation fund approved for a project, in addition
47 to any other state economic redevelopment funding or other state incentives,
48 exceed the projected state benefit of the redevelopment project, as
49 determined by the department of economic development through a

50 cost-benefit analysis. Any political subdivision located either wholly or
51 partially within the redevelopment area shall be permitted to submit
52 information to the department of economic development for consideration in
53 its cost-benefit analysis. Upon approval of downtown revitalization
54 preservation financing, a certificate of approval shall be issued by the
55 department of economic development containing the terms and limitations of
56 the disbursement.

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

60 5. Redevelopment projects receiving disbursements from the downtown
61 revitalization preservation fund shall be limited to receiving such
62 disbursements for twenty-five years. The approved term notwithstanding,
63 downtown revitalization preservation financing shall terminate when
64 redevelopment financing for a redevelopment project is terminated by a
65 municipality.

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

70 7. Redevelopment project costs may include, at the prerogative of the
71 state, the portion of salaries and expenses of the department of economic
72 development and the department of revenue reasonably allocable to each
73 redevelopment project approved for disbursements from the downtown
74 revitalization preservation fund for the ongoing administrative functions
75 associated with such redevelopment project. Such amounts shall be recovered
76 from new state revenues deposited into the downtown revitalization
77 preservation fund created under section 99.1092.

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

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

87 **10. Any rule or portion of a rule, as that term is defined in section**
88 **536.010, RSMo, that is created under the authority delegated in this section**
89 **and section 99.1092 shall become effective only if it complies with and is**
90 **subject to all of the provisions of chapter 536, RSMo, and, if applicable,**
91 **section 536.028, RSMo. This section, section 99.1092, and chapter 536, RSMo,**
92 **are nonseverable and if any of the powers vested with the general assembly**
93 **under chapter 536, RSMo, to review, to delay the effective date, or to**
94 **disapprove and annul a rule are subsequently held unconstitutional, then the**
95 **grant of rulemaking authority and any rule proposed or adopted after August**
96 **28, 2005, shall be invalid and void.**

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

8 **(1) The first fifteen million dollars of other net new revenues generated**
9 **annually by the redevelopment projects;**

10 **(2) Money received from costs charged under subsection 7 of section**
11 **99.1090; and**

12 **(3) Gifts, contributions, grants, or bequests received from federal,**
13 **private, or other sources.**

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

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

28 **projects and other costs approved under section 99.1090.**

29 **4. In no event shall the amounts distributed to a project from the**
30 **downtown revitalization preservation fund exceed the lessor of the amount**
31 **of the certificates of approval for projects or the actual other net new**
32 **revenues generated by the projects.**

33 **5. The department of economic development shall not disburse any**
34 **moneys from the downtown revitalization preservation fund for any project**
35 **which has not complied with the annual reporting requirements determined**
36 **by the department of economic development.**

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

40 **7. No municipality shall obligate or commit the expenditure of**
41 **disbursements received from the downtown revitalization preservation fund**
42 **prior to receiving a certificate of approval for the redevelopment project**
43 **generating other net new revenues. In addition, no municipality shall**
44 **commence work on a redevelopment project prior to receiving a certificate**
45 **of approval for the redevelopment project.**

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

53 **9. Any rule or portion of a rule, as that term is defined in section**
54 **536.010, RSMo, that is created pursuant to the authority delegated in this**
55 **section shall become effective only if it complies with and is subject to all of**
56 **the provisions of chapter 536, RSMo, and, if applicable, section 536.028,**
57 **RSMo. This section and chapter 536, RSMo, are nonseverable and if any of**
58 **the powers vested with the general assembly pursuant to chapter 536, RSMo,**
59 **to review, to delay the effective date, or to disapprove and annul a rule are**
60 **subsequently held unconstitutional, then the grant of rulemaking authority**
61 **and any rule proposed or adopted after August 28, 2003, shall be invalid and**
62 **void.**

✓

