

SECOND REGULAR SESSION

HOUSE BILL NO. 1070

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JOHNSON (47) (Sponsor), SCHNEIDER, DEMPSEY,
SMITH (118), WAGNER, PHILLIPS, VILLA, NOLTE, ROBB, LOEHNER,
EMERY AND DAUS (Co-sponsors).

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STEPHEN S. DAVIS, Chief Clerk

3307L.03I

AN ACT

To repeal sections 99.805, 99.810, and 99.845, RSMo, and to enact in lieu thereof four new sections relating to tax increment financing.

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

Section A. Sections 99.805, 99.810, and 99.845, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 99.805, 99.810, 99.845, and 99.866, to read as follows:

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) ["Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;] **"Blighted area", any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:**

(a) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five or

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.

13 more of the following factors, each of which is present, with that presence documented, to
14 a meaningful extent so that a municipality may reasonably find that the factor is clearly
15 present within the intent of the real property tax increment allocation redevelopment act
16 and reasonably distributed throughout the improved part of the redevelopment project
17 area:

18 a. Dilapidation. "Dilapidation" means an advanced state of disrepair or neglect
19 of necessary repairs to the primary structural components of buildings or improvements
20 in such a combination that a documented building condition analysis determines that
21 major repair is required or the defects are so serious and so extensive that the buildings
22 must be removed;

23 b. Obsolescence. "Obsolescence" means the condition or process of falling into
24 disuse; structures have become ill-suited for the original use;

25 c. Deterioration. "Deterioration" means with respect to buildings, defects
26 including, but not limited to, major defects in the secondary building components such as
27 doors, windows, porches, gutters and downspouts, and fascia. With respect to surface
28 improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street
29 parking, and surface storage areas show deterioration, including but not limited to, surface
30 cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding
31 through paved surfaces;

32 d. Presence of structures below minimum code standards. "Presence of structures
33 below minimum code standards" means all structures that do not meet the standards of
34 zoning, subdivision, building, fire, and other governmental codes applicable to property,
35 but not including housing and property maintenance codes;

36 e. Illegal use of individual structures. "Illegal use of individual structures" means
37 the use of structures in violation of applicable federal, state, or local laws, exclusive of those
38 applicable to the presence of structures below minimum code standards;

39 f. Excessive vacancies. "Excessive vacancies" means the presence of buildings that
40 are unoccupied or under-used and that represent an adverse influence on the area because
41 of the frequency, extent, or duration of the vacancies;

42 g. Lack of ventilation, light, or sanitary facilities. "Lack of ventilation, light, or
43 sanitary facilities" means the absence of adequate ventilation for light or air circulation
44 in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke,
45 or other noxious airborne materials. Inadequate natural light and ventilation means the
46 absence of skylights or windows for interior spaces or rooms and improper window sizes
47 and amounts by room area to window area ratios. Inadequate sanitary facilities refers to
48 the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water

49 and kitchens, and structural inadequacies preventing ingress and egress to and from all
50 rooms and units within a building;

51 h. Inadequate utilities. "Inadequate utilities" means underground and overhead
52 utilities such as storm sewers, storm drainage, sanitary sewers, waterlines, gas, telephone,
53 and electrical services that are shown to be inadequate. Inadequate utilities are those that
54 are:

55 (i) Of insufficient capacity to serve the uses in the redevelopment project area;

56 (ii) Deteriorated, antiquated, obsolete, or in disrepair; or

57 (iii) Lacking within the redevelopment project area;

58 i. Excessive land coverage and overcrowding of structures and community facilities.

59 "Excessive land coverage and overcrowding of structures and community facilities" means
60 the over-intensive use of property and the crowding of buildings and accessory facilities
61 onto a site. Examples of problem conditions warranting the designation of an area as one
62 exhibiting excessive land coverage are:

63 (i) The presence of buildings either improperly situated on parcels or located on
64 parcels of inadequate size and shape in relation to present-day standards of development
65 for health and safety; and

66 (ii) The presence of multiple buildings on a single parcel. For there to be a finding
67 of excessive land coverage, these parcels must exhibit one or more of the following
68 conditions: insufficient provision for light and air within or around buildings; increased
69 threat of spread of fire due to the close proximity of buildings; lack of adequate or proper
70 access to a public right-of-way; lack of reasonably required off-street parking; or
71 inadequate provision for loading and service;

72 j. Deleterious land use or layout. "Deleterious land use or layout" means the
73 existence of incompatible land use relationships, buildings occupied by inappropriate
74 mixed uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding
75 area;

76 k. Environmental clean-up. "Environmental clean-up" means the proposed
77 redevelopment project area has incurred division of environmental quality of the
78 department of natural resources or United States Environmental Protection Agency (EPA)
79 remediation costs for, or a study conducted by an independent consultant recognized as
80 having expertise in environmental remediation has determined a need for, the clean-up of
81 hazardous waste, hazardous substances, or underground storage tanks required by state
82 or federal law, provided that the remediation costs constitute a material impediment to the
83 development or redevelopment of the redevelopment project area;

84 **l. Lack of community planning. "Lack of community planning" means the**
85 **proposed redevelopment project area was developed before or without the benefit or**
86 **guidance of a community plan, or before the adoption by the municipality of a**
87 **comprehensive or other community plan or the plan was not followed at the time of the**
88 **area's development. This factor shall be documented by evidence of adverse or**
89 **incompatible land use relationships, inadequate street layout, improper subdivision,**
90 **parcels of inadequate shape and size to meet contemporary development standards, or**
91 **other evidence demonstrating an absence of effective community planning;**

92 **m. The total equalized assessed value of the proposed redevelopment project area**
93 **has declined for three of the last five calendar years before the year in which the**
94 **redevelopment project area is designated or is increasing at an annual rate that is less than**
95 **the balance of the municipality for three of the last five calendar years for which**
96 **information is available or is increasing at an annual rate that is less than the Consumer**
97 **Price Index for All Urban Consumers published by the United States Department of Labor**
98 **or its successor agency for three of the last five calendar years before the year in which the**
99 **redevelopment project area is designated;**

100 **(b) If vacant, the growth of the redevelopment project area is impaired by a**
101 **combination of two or more of the following factors, each of which is present, with that**
102 **presence documented, to a meaningful extent so that a municipality may reasonably find**
103 **that the factor is clearly present within the intent of the real property tax increment**
104 **allocation redevelopment act and reasonably distributed throughout the vacant part of the**
105 **redevelopment project area to which it pertains:**

106 **a. Obsolete platting of vacant land that results in parcels of limited or narrow size**
107 **or configurations of parcels of irregular size or shape that would be difficult to develop on**
108 **a planned basis and in a manner compatible with contemporary standards and**
109 **requirements, or platting that failed to create rights-of-ways for streets or alleys or that**
110 **created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or**
111 **that omitted easements for public utilities;**

112 **b. Diversity of ownership of parcels of vacant land sufficient in number to retard**
113 **or impede the ability to assemble the land for development;**

114 **c. Tax and special assessment delinquencies exist or the property has been the**
115 **subject of tax sales under Missouri property tax laws within the last five years;**

116 **d. Deterioration of structures or site improvements in neighboring areas adjacent**
117 **to the vacant land;**

118 **e. The area has incurred division of environmental quality of the department of**
119 **natural resources or United States Environmental Protection Agency remediation costs for,**

120 or a study conducted by an independent consultant recognized as having expertise in
121 environmental remediation has determined a need for, the clean-up of hazardous waste,
122 hazardous substances, or underground storage tanks required by state or federal law,
123 provided that the remediation costs constitute a material impediment to the development
124 or redevelopment of the redevelopment project area;

125 f. The total equalized assessed value of the proposed redevelopment project area
126 has declined for three of the last five calendar years before the year in which the
127 redevelopment project area is designated or is increasing at an annual rate that is less than
128 the balance of the municipality for three of the last five calendar years for which
129 information is available or is increasing at an annual rate that is less than the Consumer
130 Price Index for All Urban Consumers published by the United States Department of Labor
131 or its successor agency for three of the last five calendar years before the year in which the
132 redevelopment project area is designated;

133 (c) If vacant, the growth of the redevelopment project area is impaired by one of
134 the following factors that is present, with that presence documented, to a meaningful extent
135 so that a municipality may reasonably find that the factor is clearly present within the
136 intent of the real property tax increment allocation redevelopment act and is reasonably
137 distributed throughout the vacant part of the redevelopment project area to which it
138 pertains:

- 139 a. The area consists of one or more unused quarries, mines, or strip mine ponds;
140 b. The area consists of unused rail yards, rail tracks, or railroad rights-of-way;
141 c. The area, before its designation, is subject to:

142 (i.) Chronic flooding that adversely impacts on real property in the area as certified
143 by a registered professional engineer or appropriate regulatory agency; or

144 (ii) Surface water that discharges from all or a part of the area and contributes to
145 flooding within the same watershed, but only if the redevelopment project provides for
146 facilities or improvements to contribute to the alleviation of all or part of the flooding;

147 d. The area consists of an unused or illegal disposal site containing earth, stone,
148 building debris, or similar materials that were removed from construction, demolition,
149 excavation, or dredge sites;

150 e. The area is not less than fifty nor more than one hundred acres and seventy-five
151 percent of which is vacant (notwithstanding that the area has been used for commercial
152 agricultural purposes within five years before the designation of the redevelopment project
153 area), and the area meets at least one of the factors itemized in paragraph (a) of this
154 subdivision, the area has been designated as a town or village center by ordinance or

155 **comprehensive plan adopted before January 1, 1982, and the area has not been developed**
156 **for that designated purpose;**

157 **f. The area qualified as a blighted improved area immediately before becoming**
158 **vacant, unless there has been substantial private investment in the immediately**
159 **surrounding area;**

160 (2) "Collecting officer", the officer of the municipality responsible for receiving and
161 processing payments in lieu of taxes or economic activity taxes from taxpayers or the department
162 of revenue;

163 (3) ["Conservation area", any improved area within the boundaries of a redevelopment
164 area located within the territorial limits of a municipality in which fifty percent or more of the
165 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted
166 area but is detrimental to the public health, safety, morals, or welfare and may become a blighted
167 area because of any one or more of the following factors: dilapidation; obsolescence;
168 deterioration; illegal use of individual structures; presence of structures below minimum code
169 standards; abandonment; excessive vacancies; overcrowding of structures and community
170 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
171 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
172 community planning. A conservation area shall meet at least three of the factors provided in this
173 subdivision for projects approved on or after December 23, 1997;] **"Conservation area", any**
174 **improved area within the boundaries of a redevelopment project area located within the**
175 **territorial limits of the municipality in which fifty percent or more of the structures in the**
176 **area have an age of thirty-five years or more. Such an area is not yet a blighted area but**
177 **because of a combination of three or more of the following factors is detrimental to the**
178 **public safety, health, morals, or welfare and such an area may become a blighted area:**

179 (a) **Dilapidation. "Dilapidation" means an advanced state of disrepair or neglect**
180 **of necessary repairs to the primary structural components of buildings or improvements**
181 **in such a combination that a documented building condition analysis determines that**
182 **major repair is required or the defects are so serious and so extensive that the buildings**
183 **must be removed;**

184 (b) **Obsolescence. "Obsolescence" means the condition or process of falling into**
185 **disuse; structures have become ill-suited for the original use;**

186 (c) **Deterioration. "Deterioration" means with respect to buildings, defects**
187 **including, but not limited to, major defects in the secondary building components such as**
188 **doors, windows, porches, gutters, downspouts, and fascia. With respect to surface**
189 **improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street**
190 **parking, and surface storage areas show deterioration, including but not limited to, surface**

191 cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding
192 through paved surfaces;

193 (d) Presence of structures below minimum code standards. "Presence of structures
194 below minimum code standards" means all structures that do not meet the standards of
195 zoning, subdivision, building, fire, and other governmental codes applicable to property,
196 but not including housing and property maintenance codes;

197 (e) Illegal use of individual structures. "Illegal use of individual structures" means
198 the use of structures in violation of applicable federal, state, or local laws, exclusive of those
199 applicable to the presence of structures below minimum code standards;

200 (f) Excessive vacancies. "Excessive vacancies" means the presence of buildings that
201 are unoccupied or under-used and that represent an adverse influence on the area because
202 of the frequency, extent, or duration of the vacancies;

203 (g) Lack of ventilation, light, or sanitary facilities. "Lack of ventilation, light, or
204 sanitary facilities" means the absence of adequate ventilation for light or air circulation
205 in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke,
206 or other noxious airborne materials. Inadequate natural light and ventilation means the
207 absence or inadequacy of skylights or windows for interior spaces or rooms and improper
208 window sizes and amounts by room area to window area ratios. Inadequate sanitary
209 facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom
210 facilities, hot water and kitchens, and structural inadequacies preventing ingress and
211 egress to and from all rooms and units within a building;

212 (h) Inadequate utilities. "Inadequate utilities" means underground and overhead
213 utilities such as storm sewers, storm drainage, sanitary sewers, waterlines, gas, telephone,
214 and electrical services that are shown to be inadequate. Inadequate utilities are those that
215 are:

- 216 a. Of insufficient capacity to serve the uses in the redevelopment project area;
- 217 b. Deteriorated, antiquated, obsolete, or in disrepair; or
- 218 c. Lacking within the redevelopment project area;

219 (i) Excessive land coverage and overcrowding of structures and community
220 facilities. "Excessive land coverage and overcrowding of structures and community
221 facilities" means the over-intensive use of property and the crowding of buildings and
222 accessory facilities onto a site. Examples of problem conditions warranting the designation
223 of an area as one exhibiting excessive land coverage are the presence of buildings either
224 improperly situated on parcels or located on parcels of inadequate size and shape in
225 relation to present-day standards of development for health and safety, or the presence of

226 **multiple buildings on a single parcel. For there to be a finding of excessive land coverage,**
227 **these parcels must exhibit one or more of the following conditions:**

- 228 **a. Insufficient provision for light and air within or around buildings;**
- 229 **b. Increased threat of spread of fire due to the close proximity of buildings;**
- 230 **c. Lack of adequate or proper access to a public right-of-way;**
- 231 **d. Lack of reasonably required off-street parking; or**
- 232 **e. Inadequate provision for loading and service;**

233 **(j) Deleterious land use or layout. "Deleterious land use or layout" means the**
234 **existence of incompatible land use relationships, buildings occupied by inappropriate**
235 **mixed uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding**
236 **area;**

237 **(k) Lack of community planning. "Lack of community planning" means the**
238 **proposed redevelopment project area was developed before or without the benefit or**
239 **guidance of a community plan, or the development occurred before the adoption by the**
240 **municipality of a comprehensive or other community plan or the plan was not followed at**
241 **the time of the area's development. This factor shall be documented by evidence of adverse**
242 **or incompatible land-use relationships, inadequate street layout, improper subdivision,**
243 **parcels of inadequate shape and size to meet contemporary development standards, or**
244 **other evidence demonstrating an absence of effective community planning;**

245 **(l) The area has incurred division of environmental quality of the department of**
246 **natural resources or United States Environmental Protection Agency remediation costs for,**
247 **or a study conducted by an independent consultant recognized as having expertise in**
248 **environmental remediation has determined a need for, the clean-up of hazardous waste,**
249 **hazardous substances, or underground storage tanks required by state or federal law,**
250 **provided that the remediation costs constitute a material impediment to the development**
251 **or redevelopment of the redevelopment project area;**

252 **(m) The total equalized assessed value of the proposed redevelopment project area**
253 **has declined for three of the last five calendar years for which information is available or**
254 **is increasing at an annual rate that is less than the balance of the municipality for three of**
255 **the last five calendar years for which information is available or is increasing at an annual**
256 **rate that is less than the Consumer Price Index for All Urban Consumers published by the**
257 **United States Department of Labor or its successor agency for three of the last five**
258 **calendar years for which information is available;**

259 **(4) "Economic activity taxes", the total additional revenue from taxes which are imposed**
260 **by a municipality and other taxing districts, and which are generated by economic activities**
261 **within a redevelopment area over the amount of such taxes generated by economic activities**

262 within such redevelopment area in the calendar year prior to the adoption of the ordinance
263 designating such a redevelopment area, while tax increment financing remains in effect, but
264 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
265 transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment
266 projects or redevelopment plans approved after December 23, 1997, if a retail establishment
267 relocates within one year from one facility to another facility within the same county and the
268 governing body of the municipality finds that the relocation is a direct beneficiary of tax
269 increment financing, then for purposes of this definition, the economic activity taxes generated
270 by the retail establishment shall equal the total additional revenues from economic activity taxes
271 which are imposed by a municipality or other taxing district over the amount of economic
272 activity taxes generated by the retail establishment in the calendar year prior to its relocation to
273 the redevelopment area;

274 (5) "Economic development area", any area or portion of an area located within the
275 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and
276 (3) of this section, and in which the governing body of the municipality finds that redevelopment
277 will not be solely used for development of commercial businesses which unfairly compete in the
278 local economy and is in the public interest because it will:

279 (a) Discourage commerce, industry or manufacturing from moving their operations to
280 another state; or

281 (b) Result in increased employment in the municipality; or

282 (c) Result in preservation or enhancement of the tax base of the municipality;

283 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800,
284 RSMo, and any related business facility including any real property improvements which are
285 directly and solely related to such business facility, whose sole purpose is to provide goods or
286 services to an excursion gambling boat and whose majority ownership interest is held by a person
287 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an
288 excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision
289 shall be applicable only to a redevelopment area designated by ordinance adopted after December
290 23, 1997;

291 (7) "Municipality", a city, village, or incorporated town or any county of this state. For
292 redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies
293 only to cities, villages, incorporated towns or counties established for at least one year prior to
294 such date;

295 (8) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences
296 of indebtedness issued by a municipality to carry out a redevelopment project or to refund
297 outstanding obligations;

298 (9) "Ordinance", an ordinance enacted by the governing body of a city, town, or village
299 or a county or an order of the governing body of a county whose governing body is not
300 authorized to enact ordinances;

301 (10) "Payment in lieu of taxes", those estimated revenues from real property in the area
302 selected for a redevelopment project, which revenues according to the redevelopment project or
303 plan are to be used for a private use, which taxing districts would have received had a
304 municipality not adopted tax increment allocation financing, and which would result from levies
305 made after the time of the adoption of tax increment allocation financing during the time the
306 current equalized value of real property in the area selected for the redevelopment project
307 exceeds the total initial equalized value of real property in such area until the designation is
308 terminated pursuant to subsection 2 of section 99.850;

309 (11) "Redevelopment area", an area designated by a municipality, in respect to which the
310 municipality has made a finding that there exist conditions which cause the area to be classified
311 as a blighted area, a conservation area, an economic development area, an enterprise zone
312 pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area includes
313 only those parcels of real property directly and substantially benefited by the proposed
314 redevelopment project;

315 (12) "Redevelopment plan", the comprehensive program of a municipality for
316 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
317 conditions, the existence of which qualified the redevelopment area as a blighted area,
318 conservation area, economic development area, or combination thereof, and to thereby enhance
319 the tax bases of the taxing districts which extend into the redevelopment area. Each
320 redevelopment plan shall conform to the requirements of section 99.810;

321 (13) "Redevelopment project", any development project within a redevelopment area in
322 furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
323 include a legal description of the area selected for the redevelopment project;

324 (14) "Redevelopment project costs" include the sum total of all reasonable or necessary
325 costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan
326 or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

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

328 (b) Professional service costs, including, but not limited to, [architectural, engineering,
329 legal, marketing,] financial, planning or special services. **Professional service costs do not**
330 **include architectural, engineering, legal, or marketing costs.** Except the reasonable costs
331 incurred by the commission established in section 99.820 for the administration of sections
332 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable,
333 shall be included in the costs of a redevelopment plan or project;

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

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

339 (e) Initial costs for an economic development area;

340 (f) Costs of construction of public works or improvements;

341 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
342 related to the issuance of obligations, and which may include payment of interest on any
343 obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period
344 of construction of any redevelopment project for which such obligations are issued and for not
345 more than eighteen months thereafter, and including reasonable reserves related thereto;

346 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
347 project necessarily incurred or to be incurred in furtherance of the objectives of the
348 redevelopment plan and project, to the extent the municipality by written agreement accepts and
349 approves such costs;

350 (i) Relocation costs to the extent that a municipality determines that relocation costs shall
351 be paid or are required to be paid by federal or state law;

352 (j) Payments in lieu of taxes;

353 (15) **"Retail project", any development project where more than fifty percent of the**
354 **total estimated redevelopment project costs are devoted to the construction, reconstruction,**
355 **or expansion of retail establishments or infrastructure or facilities ancillary to sales at**
356 **retail;**

357 (16) "Special allocation fund", the fund of a municipality or its commission which
358 contains at least two separate segregated accounts for each redevelopment plan, maintained by
359 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
360 of taxes are deposited in one account, and economic activity taxes and other revenues are
361 deposited in the other account;

362 [(16)] (17) "Taxing districts", any political subdivision of this state having the power to
363 levy taxes;

364 [(17)] (18) "Taxing districts' capital costs", those costs of taxing districts for capital
365 improvements that are found by the municipal governing bodies to be necessary and to directly
366 result from the redevelopment project; and

367 [(18)] (19) "Vacant land", any parcel or combination of parcels of real property not used
368 for industrial, commercial, or residential buildings.

99.810. 1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

(1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;

(2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;

(4) A plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;

36 (6) A finding that the plan does not include the initial development or redevelopment of
37 any gambling establishment, provided however, that this subdivision shall be applicable only to
38 a redevelopment plan adopted for a redevelopment area designated by ordinance after December
39 23, 1997.

40 2. **In the event that, within ten days after the passage of a municipal or county**
41 **ordinance adopting a redevelopment plan, the appropriate local election authority receives**
42 **a notice, signed by not less than one hundred registered voters of the municipality or**
43 **county, stating the intention of such registered voters to cause a referendum petition to be**
44 **circulated to submit any such ordinance to voters, the ordinance shall not take effect as**
45 **otherwise provided. In the event that, within forty days after the passage of a municipal**
46 **or county ordinance adopting a redevelopment plan, the appropriate local election**
47 **authority receives a petition, signed by a number of registered voters equal to at least ten**
48 **percent of the number of total votes cast in such subdivision in the most recent mayoral or**
49 **county commissioner election, requesting that approval of the redevelopment plan be**
50 **submitted to the voters, the local election authority shall submit the question to the voters**
51 **of the municipality or county at the next occurring municipal, primary, or general election.**
52 **No such plan shall become effective unless and until a majority of those voting on the**
53 **question approve the plan.**

54 3. By the last day of February each year, each commission shall report to the director of
55 economic development the name, address, phone number and primary line of business of any
56 business which relocates to the district. The director of the department of economic development
57 shall compile and report the same to the governor, the speaker of the house and the president pro
58 tempore of the senate on the last day of April each year.

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
2 the event a municipality has undertaken acts establishing a redevelopment plan and
3 redevelopment project and has designated a redevelopment area after the passage and approval
4 of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with
5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real
7 property in a redevelopment project exceeds the certified total initial equalized assessed
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and
9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such
10 redevelopment project by taxing districts and tax rates determined in the manner provided in
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until
12 redevelopment costs have been paid shall be divided as follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
14 or parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
16 project shall be allocated to and, when collected, shall be paid by the county collector to the
17 respective affected taxing districts in the manner required by law in the absence of the adoption
18 of tax increment allocation financing;

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected
21 for the redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred
26 in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien
27 against the real estate of the redevelopment project from which they are derived and shall be
28 collected in the same manner as the real property tax, including the assessment of penalties and
29 interest where applicable. The municipality may, in the ordinance, pledge the funds in the
30 special allocation fund for the payment of such costs and obligations and provide for the
31 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner
32 as a special assessment lien as provided in section 88.861, RSMo. No part of the current
33 equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected
34 for the redevelopment project attributable to any increase above the total initial equalized
35 assessed value of such properties shall be used in calculating the general state school aid formula
36 provided for in section 163.031, RSMo, until such time as all redevelopment costs have been
37 paid as provided for in this section and section 99.850;

38 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
39 determining the limitation on indebtedness of local government pursuant to article VI, section
40 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area
41 selected for redevelopment attributable to the increase above the total initial equalized assessed
42 valuation shall be included in the value of taxable tangible property as shown on the last
43 completed assessment for state or county purposes;

44 (c) The county assessor shall include the current assessed value of all property within
45 the taxing district in the aggregate valuation of assessed property entered upon the assessor's
46 book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the
47 purpose of the debt limitation on local government pursuant to article VI, section 26(b) of the
48 Missouri Constitution;

49 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
50 project by taxing districts" shall not include the blind pension fund tax levied under the authority
51 of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
52 inventory replacement tax levied under the authority of subsection 2 of section 6 of article X of
53 the Missouri Constitution, except in redevelopment project areas in which tax increment
54 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing
55 body of the municipality taken after August 13, 1982, and before January 1, 1998.

56 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
57 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
58 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
59 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
60 districts, which are generated by economic activities within the area of the redevelopment project
61 over the amount of such taxes generated by economic activities within the area of the
62 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
63 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
64 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
65 to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of
66 taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant
67 to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid
68 by the local political subdivision collecting officer to the treasurer or other designated financial
69 officer of the municipality, who shall deposit such funds in a separate segregated account within
70 the special allocation fund. Any provision of an agreement, contract or covenant entered into
71 prior to July 12, 1990, between a municipality and any other political subdivision which provides
72 for an appropriation of other municipal revenues to the special allocation fund shall be and
73 remain enforceable.

74 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
75 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
76 approved by ordinance after August 31, 1991, [fifty] **ninety** percent of the total additional
77 revenue from taxes, penalties and interest which are imposed by the municipality or other taxing
78 districts, and which are generated by economic activities within the area of the redevelopment
79 project over the amount of such taxes generated by economic activities within the area of the
80 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
81 ordinance, while tax increment financing remains in effect, but excluding personal property
82 taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and
83 motels, taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied
84 for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or

85 special assessments other than payments in lieu of taxes and penalties and interest thereon, shall
86 be allocated to, and paid by the local political subdivision collecting officer to the treasurer or
87 other designated financial officer of the municipality, who shall deposit such funds in a separate
88 segregated account within the special allocation fund.

89 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
90 redevelopment projects approved by ordinance and which have complied with subsections 4 to
91 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
92 described in subsections 1, 2 and 3 of this section, up to [fifty] **ninety** percent of the new state
93 revenues, as defined in subsection 8 of this section, estimated for the businesses within the
94 project area and identified by the municipality in the application required by subsection 10 of this
95 section, over and above the amount of such taxes reported by businesses within the project area
96 as identified by the municipality in their application prior to the approval of the redevelopment
97 project by ordinance, while tax increment financing remains in effect, may be available for
98 appropriation by the general assembly as provided in subsection 10 of this section to the
99 department of economic development supplemental tax increment financing fund, from the
100 general revenue fund, for distribution to the treasurer or other designated financial officer of the
101 municipality with approved plans or projects.

102 5. The treasurer or other designated financial officer of the municipality with approved
103 plans or projects shall deposit such funds in a separate segregated account within the special
104 allocation fund established pursuant to section 99.805.

105 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
106 financing fund shall be made unless an appropriation is made from the general revenue fund for
107 that purpose. No municipality shall commit any state revenues prior to an appropriation being
108 made for that project. For all redevelopment plans or projects adopted or approved after
109 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
110 Missouri supplemental tax increment financing fund into the special allocation fund unless the
111 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
112 and fifty percent of economic activity taxes generated by the project shall be used for eligible
113 redevelopment project costs while tax increment financing remains in effect. This account shall
114 be separate from the account into which payments in lieu of taxes are deposited, and separate
115 from the account into which economic activity taxes are deposited.

116 7. In order for the redevelopment plan or project to be eligible to receive the revenue
117 described in subsection 4 of this section, the municipality shall comply with the requirements of
118 subsection 10 of this section prior to the time the project or plan is adopted or approved by
119 ordinance. The director of the department of economic development and the commissioner of
120 the office of administration may waive the requirement that the municipality's application be

121 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
122 project's approval by ordinance.

123 8. For purposes of this section, "new state revenues" means:

124 (1) The incremental increase in the general revenue portion of state sales tax revenues
125 received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally
126 dedicated, taxes deposited to the school district trust fund in accordance with section 144.701,
127 RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales
128 taxes earmarked by law. In no event shall the incremental increase include any amounts
129 attributable to retail sales unless the municipality or authority has proven to the Missouri
130 development finance board and the department of economic development and such entities have
131 made a finding that the sales tax increment attributable to retail sales is from new sources which
132 did not exist in the state during the baseline year. The incremental increase in the general
133 revenue portion of state sales tax revenues for an existing or relocated facility shall be the
134 amount that current state sales tax revenue exceeds the state sales tax revenue in the base year
135 as stated in the redevelopment plan as provided in subsection 10 of this section; or

136 (2) The state income tax withheld on behalf of new employees by the employer pursuant
137 to section 143.221, RSMo, at the business located within the project as identified by the
138 municipality. The state income tax withholding allowed by this section shall be the
139 municipality's estimate of the amount of state income tax withheld by the employer within the
140 redevelopment area for new employees who fill new jobs directly created by the tax increment
141 financing project.

142 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise
143 zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal
144 empowerment zones, or to blighted areas located in central business districts or urban core areas
145 of cities which districts or urban core areas at the time of approval of the project by ordinance,
146 provided that the enterprise zones, federal empowerment zones or blighted areas contained one
147 or more buildings at least fifty years old; and

148 (1) Suffered from generally declining population or property taxes over the twenty-year
149 period immediately preceding the area's designation as a project area by ordinance; or

150 (2) Was a historic hotel located in a county of the first classification without a charter
151 form of government with a population according to the most recent federal decennial census in
152 excess of one hundred fifty thousand and containing a portion of a city with a population
153 according to the most recent federal decennial census in excess of three hundred fifty thousand.

154 10. The initial appropriation of up to fifty percent of the new state revenues authorized
155 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the

156 department of economic development to a municipality until all of the following conditions have
157 been satisfied:

158 (1) The director of the department of economic development or his or her designee and
159 the commissioner of the office of administration or his or her designee have approved a tax
160 increment financing application made by the municipality for the appropriation of the new state
161 revenues. The municipality shall include in the application the following items in addition to the
162 items in section 99.810:

163 (a) The tax increment financing district or redevelopment area, including the businesses
164 identified within the redevelopment area;

165 (b) The base year of state sales tax revenues or the base year of state income tax withheld
166 on behalf of existing employees, reported by existing businesses within the project area prior to
167 approval of the redevelopment project;

168 (c) The estimate of the incremental increase in the general revenue portion of state sales
169 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
170 employees expected to fill new jobs created within the redevelopment area after redevelopment;

171 (d) The official statement of any bond issue pursuant to this subsection after December
172 23, 1997;

173 (e) An affidavit that is signed by the developer or developers attesting that the provisions
174 of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area
175 would not be reasonably anticipated to be developed without the appropriation of the new state
176 revenues;

177 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
178 impact on the state of Missouri; and

179 (g) The statement of election between the use of the incremental increase of the general
180 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
181 behalf of new employees who fill new jobs created in the redevelopment area;

182 (h) The name, street and mailing address, and phone number of the mayor or chief
183 executive officer of the municipality;

184 (i) The street address of the development site;

185 (j) The three-digit North American Industry Classification System number or numbers
186 characterizing the development project;

187 (k) The estimated development project costs;

188 (l) The anticipated sources of funds to pay such development project costs;

189 (m) Evidence of the commitments to finance such development project costs;

190 (n) The anticipated type and term of the sources of funds to pay such development
191 project costs;

- 192 (o) The anticipated type and terms of the obligations to be issued;
- 193 (p) The most recent equalized assessed valuation of the property within the development
194 project area;
- 195 (q) An estimate as to the equalized assessed valuation after the development project area
196 is developed in accordance with a development plan;
- 197 (r) The general land uses to apply in the development area;
- 198 (s) The total number of individuals employed in the development area, broken down by
199 full-time, part-time, and temporary positions;
- 200 (t) The total number of full-time equivalent positions in the development area;
- 201 (u) The current gross wages, state income tax withholdings, and federal income tax
202 withholdings for individuals employed in the development area;
- 203 (v) The total number of individuals employed in this state by the corporate parent of any
204 business benefiting from public expenditures in the development area, and all subsidiaries
205 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
206 and temporary positions;
- 207 (w) The number of new jobs to be created by any business benefiting from public
208 expenditures in the development area, broken down by full-time, part-time, and temporary
209 positions;
- 210 (x) The average hourly wage to be paid to all current and new employees at the project
211 site, broken down by full-time, part-time, and temporary positions;
- 212 (y) For project sites located in a metropolitan statistical area, as defined by the federal
213 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
214 in this state for the industries involved at the project, as established by the United States Bureau
215 of Labor Statistics;
- 216 (z) For project sites located outside of metropolitan statistical areas, the average weekly
217 wage paid to nonmanagerial employees in the county for industries involved at the project, as
218 established by the United States Department of Commerce;
- 219 (aa) A list of other community and economic benefits to result from the project;
- 220 (bb) A list of all development subsidies that any business benefiting from public
221 expenditures in the development area has previously received for the project, and the name of
222 any other granting body from which such subsidies are sought;
- 223 (cc) A list of all other public investments made or to be made by this state or units of
224 local government to support infrastructure or other needs generated by the project for which the
225 funding pursuant to this section is being sought;

226 (dd) A statement as to whether the development project may reduce employment at any
227 other site, within or without the state, resulting from automation, merger, acquisition, corporate
228 restructuring, relocation, or other business activity;

229 (ee) A statement as to whether or not the project involves the relocation of work from
230 another address and if so, the number of jobs to be relocated and the address from which they
231 are to be relocated;

232 (ff) A list of competing businesses in the county containing the development area and
233 in each contiguous county;

234 (gg) A market study for the development area;

235 (hh) A certification by the chief officer of the applicant as to the accuracy of the
236 development plan;

237 (2) The methodologies used in the application for determining the base year and
238 determining the estimate of the incremental increase in the general revenue portion of the state
239 sales tax revenues or the state income tax withheld by employers on behalf of new employees
240 who fill new jobs created in the redevelopment area shall be approved by the director of the
241 department of economic development or his or her designee and the commissioner of the office
242 of administration or his or her designee. Upon approval of the application, the director of the
243 department of economic development or his or her designee and the commissioner of the office
244 of administration or his or her designee shall issue a certificate of approval. The department of
245 economic development may request the appropriation following application approval;

246 (3) The appropriation shall be either a portion of the estimate of the incremental increase
247 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion
248 of the estimate of the state income tax withheld by the employer on behalf of new employees
249 who fill new jobs created in the redevelopment area as indicated in the municipality's application,
250 approved by the director of the department of economic development or his or her designee and
251 the commissioner of the office of administration or his or her designee. At no time shall the
252 annual amount of the new state revenues approved for disbursements from the Missouri
253 supplemental tax increment financing fund exceed thirty-two million dollars;

254 (4) Redevelopment plans and projects receiving new state revenues shall have a duration
255 of up to fifteen years, unless prior approval for a longer term is given by the director of the
256 department of economic development or his or her designee and the commissioner of the office
257 of administration or his or her designee; except that, in no case shall the duration exceed
258 twenty-three years.

259 11. In addition to the areas authorized in subsection 9 of this section, the funding
260 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
261 levee district, where construction of a levee begins after December 23, 1997, and which is

262 contained within a county of the first classification without a charter form of government with
263 a population between fifty thousand and one hundred thousand inhabitants which contains all
264 or part of a city with a population in excess of four hundred thousand or more inhabitants.

265 12. There is hereby established within the state treasury a special fund to be known as
266 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the
267 department of economic development. The department shall annually distribute from the
268 Missouri supplemental tax increment financing fund the amount of the new state revenues as
269 appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the
270 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,
271 contributions, grants or bequests received from federal, private or other sources. Moneys in the
272 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to
273 state appropriations.

274 13. Redevelopment project costs may include, at the prerogative of the state, the portion
275 of salaries and expenses of the department of economic development and the department of
276 revenue reasonably allocable to each redevelopment project approved for disbursements from
277 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
278 associated with such redevelopment project. Such amounts shall be recovered from new state
279 revenues deposited into the Missouri supplemental tax increment financing fund created under
280 this section.

281 14. For redevelopment plans or projects approved by ordinance that result in net new
282 jobs from the relocation of a national headquarters from another state to the area of the
283 redevelopment project, the economic activity taxes and new state tax revenues shall not be based
284 on a calculation of the incremental increase in taxes as compared to the base year or prior
285 calendar year for such redevelopment project, rather the incremental increase shall be the amount
286 of total taxes generated from the net new jobs brought in by the national headquarters from
287 another state. In no event shall this subsection be construed to allow a redevelopment project
288 to receive an appropriation in excess of up to fifty percent of the new state revenues.

**99.866. 1. For all redevelopment areas, redevelopment plans, and redevelopment
2 projects designated and approved after December 31, 2006, tax increment financing shall
3 not be used for more than twenty-two percent of the total estimated redevelopment costs
4 of a project that is primarily retail. Tax increment financing shall not be used to develop
5 sites in which twenty-five percent or more of the area is vacant land and has not previously
6 been developed or qualifies as "open space" under section 67.900, RSMo, or is presently
7 being used for agricultural or horticultural purposes, except where the redevelopment
8 project is contained in the municipality's comprehensive plan which was adopted prior to
9 January 1, 2004.**

10 **2. Commencing with the first fiscal year in which any municipality receives any**
11 **payments in lieu of taxes from a redevelopment project and continuing through the last**
12 **fiscal year in which the municipality receives such payments, the municipality shall pay to**
13 **any other taxing entities entitled to receive revenue from levies on real property in such**
14 **municipality, an amount equal to twenty-five percent of the payments in lieu of taxes**
15 **received by the municipality. This amount shall be divided among the other affected**
16 **taxing entities on a basis that is proportional to the collections of revenue from real**
17 **property in the development area to which each such taxing district is entitled during that**
18 **tax year. When a tax increment financing project includes residential uses except in**
19 **central business districts as defined in section 99.918, RSMo, absent a recommendation to**
20 **the contrary from commission members representing the affected school board or boards,**
21 **real property tax levies attributable to the residential portion of the development shall pass**
22 **through to the school district or districts.**

✓