

HCS SS SCS SB 108 -- TAX INCREMENT FINANCING

SPONSOR: Koenig (Coleman)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Downsizing State Government by a vote of 9 to 0.

This bill modifies local tax increment financing projects by providing that a study shall be conducted by a party other than the proponent of the redevelopment plan, which details how the area meets the definition of an area eligible to receive tax increment financing.

The bill modifies the definitions of "blighted area" and "conservation area," and adds definitions for "flood plain infrastructure project," "port infrastructure project," "retail area," and "retail infrastructure project."

Retail areas shall not receive tax increment financing unless such financing is exclusively utilized to fund retail infrastructure projects, or unless such area is a blighted or conservation area.

The bill prohibits new projects from being authorized in any Greenfield area.

The bill also prohibits new projects from being authorized in an area designated as a flood plain by the Federal Emergency Management Agency unless such projects are located in Jackson, Platte, or Clay counties, or a port or levee district.

The prohibition against new tax increment financing projects does not apply to any property that, on June 30, 2020, adjoined or was adjacent to a tax increment financing project or district.

Currently, a district or county imposing a property tax for providing emergency services under Chapter 190 or 321, RSMo, is entitled to 50 to 100% reimbursement from the special allocation fund. The bill adds economic activity taxes to the allowed reimbursable taxes.

PROPOSERS: Supporters say that this bill keeps public money out of the development of flood plains and wetlands, which is good because the developers should take the risk, not the public. TIFs don't work according to many experts.

Testifying for the bill were Senator Koenig; St. Charles County; Empower Missouri; David Stokes, Great Rivers Habitat Alliance; The Nature Conservancy; Patrick Tuohey, Show-Me Institute; and Economic Development Corporation.

OPPONENTS: Those who oppose the bill say that many of the areas in flood plains are not flooding and have not flooded in the last 40 years. Allowing TIFs in flood plains will create jobs.

Testifying against the bill were Richard Ollis, City Of Springfield; Patt Lilly, St. Joseph Chamber Of Commerce; Missouri State University; Chris Ball, Vecino Design; Matt Morrow, Springfield Area Chamber of Commerce; and Trip Rhodes, RW Development LLC.

OTHERS: Other testifying say that they need TIFs to fix infrastructure.

Testifying on the bill were John Nations; David Humon, Husch Blackwell; and Otis Williams, St. Louis Development Corporation.