

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Bill No. 704, Pages  
2 22-26, Section 99.805, Lines 1-138, by deleting all of said section and lines and inserting in lieu  
3 thereof the following:  
4

5 "99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise,  
6 the following terms shall mean:

7 (1) "Blighted area", an area which, by reason of the predominance of defective or  
8 inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements,  
9 ~~[improper subdivision or obsolete platting,]~~ or the existence of conditions which endanger life or  
10 property by fire and other causes, or any combination of such factors, retards the provision of  
11 housing accommodations or constitutes an economic or social liability or a menace to the public  
12 health, safety, ~~[morals,]~~ or welfare in its present condition and use, and, for areas located in a city  
13 not within a county, which are located in a census tract that is defined as a low-income community  
14 under 26 U.S.C. Section 45D(e) or is eligible to be designated as a qualified opportunity zone under  
15 26 U.S.C. Section 1400Z;

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

19 (3) "Conservation area", any improved area within the boundaries of a redevelopment area  
20 located within the territorial limits of a municipality in which fifty percent or more of the structures  
21 in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is  
22 detrimental to the public health, safety, ~~[morals,]~~ or welfare and may become a blighted area  
23 because of any one or more of the following factors: dilapidation; obsolescence; deterioration;  
24 illegal use of individual structures; presence of structures below minimum code standards;  
25 abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of  
26 ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land  
27 use or layout; depreciation of physical maintenance; and lack of community planning. A  
28 conservation area shall meet at least three of the factors provided in this subdivision for projects  
29 approved on or after December 23, 1997. For all redevelopment plans and projects approved on or  
30 after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of  
31 the three factors required under this subdivision;

32 (4) "Economic activity taxes", the total additional revenue from taxes which are imposed by  
33 a municipality and other taxing districts, and which are generated by economic activities within a  
34 redevelopment area over the amount of such taxes generated by economic activities within such  
35 redevelopment area in the calendar year prior to the adoption of the ordinance designating such a  
36 redevelopment area, while tax increment financing remains in effect, but excluding personal

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1 property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of  
 2 hotels and motels, licenses, fees or special assessments. For redevelopment projects or  
 3 redevelopment plans approved after December 23, 1997, if a retail establishment relocates within  
 4 one year from one facility to another facility within the same county and the governing body of the  
 5 municipality finds that the relocation is a direct beneficiary of tax increment financing, then for  
 6 purposes of this definition, the economic activity taxes generated by the retail establishment shall  
 7 equal the total additional revenues from economic activity taxes which are imposed by a  
 8 municipality or other taxing district over the amount of economic activity taxes generated by the  
 9 retail establishment in the calendar year prior to its relocation to the redevelopment area;

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

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

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

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

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

26 (7) "Greenfield area", any vacant, unimproved, or agricultural property that is located  
 27 wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded  
 28 by contiguous properties with agricultural zoning classifications or uses unless said property was  
 29 annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the  
 30 ordinance approving the redevelopment plan for such greenfield area;

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

34 (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of  
 35 indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding  
 36 obligations;

37 (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or  
 38 a county or an order of the governing body of a county whose governing body is not authorized to  
 39 enact ordinances;

40 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area  
 41 selected for a redevelopment project, which revenues according to the redevelopment project or plan  
 42 are to be used for a private use, which taxing districts would have received had a municipality not  
 43 adopted tax increment allocation financing, and which would result from levies made after the time  
 44 of the adoption of tax increment allocation financing during the time the current equalized value of  
 45 real property in the area selected for the redevelopment project exceeds the total initial equalized  
 46 value of real property in such area until the designation is terminated pursuant to subsection 2 of  
 47 section 99.850;

48 (12) "Port infrastructure project", docks and associated equipment, cargo and passenger  
 49 terminals, storage warehouses, or any other similar infrastructure directly related to port facilities

1 located in a port district created pursuant to the provisions of chapter 68 and located within one-half  
 2 of one mile of a navigable waterway;

3 ~~[(12)]~~ (13) "Redevelopment area", an area designated by a municipality, in respect to which  
 4 the municipality has made a finding that there exist conditions which cause the area to be classified  
 5 as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant  
 6 to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of  
 7 real property directly and substantially benefitted by the proposed redevelopment project;

8 ~~[(13)]~~ (14) "Redevelopment plan", the comprehensive program of a municipality for  
 9 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those  
 10 conditions, the existence of which qualified the redevelopment area as a blighted area, conservation  
 11 area, economic development area, or combination thereof, and to thereby enhance the tax bases of  
 12 the taxing districts which extend into the redevelopment area. Each redevelopment plan shall  
 13 conform to the requirements of section 99.810;

14 ~~[(14)]~~ (15) "Redevelopment project", any development project within a redevelopment area  
 15 in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall  
 16 include a legal description of the area selected for the redevelopment project;

17 ~~[(15)]~~ (16) "Redevelopment project costs" include the sum total of all reasonable or  
 18 necessary costs incurred or estimated to be incurred, and any such costs incidental to a  
 19 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited  
 20 to, the following:

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

22 (b) Professional service costs, including, but not limited to, architectural, engineering, legal,  
 23 marketing, financial, planning or special services. Except the reasonable costs incurred by the  
 24 commission established in section 99.820 for the administration of sections 99.800 to 99.865, such  
 25 costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the  
 26 costs of a redevelopment plan or project;

27 (c) Property assembly costs, including, but not limited to:

28 a. Acquisition of land and other property, real or personal, or rights or interests therein;

29 b. Demolition of buildings; and

30 c. The clearing and grading of land;

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

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

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

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

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

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

46 (j) Payments in lieu of taxes;

47 (17) "Retail area", a proposed redevelopment area for which most of the projected tax  
 48 increment financing revenue will be generated from retail businesses, which shall be businesses that  
 49 primarily sell or offer to sell goods to a buyer primarily for the buyer's personal, family, or

1 household use and not primarily for business, commercial, or agricultural use;

2 (18) "Retail infrastructure projects", highways, roads, streets, bridges, sewers, traffic control  
 3 systems and devices, water distribution and supply systems, curbing, sidewalks, storm water and  
 4 drainage systems, or any other similar public improvements, but in no case shall retail infrastructure  
 5 projects include private structures;

6 ~~[(16)]~~ (19) "Special allocation fund", the fund of a municipality or its commission which  
 7 contains at least two separate segregated accounts for each redevelopment plan, maintained by the  
 8 treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes  
 9 are deposited in one account, and economic activity taxes and other revenues are deposited in the  
 10 other account;

11 ~~[(17)]~~ (20) "Taxing districts", any political subdivision of this state having the power to  
 12 levy taxes;

13 ~~[(18)]~~ (21) "Taxing districts' capital costs", those costs of taxing districts for capital  
 14 improvements that are found by the municipal governing bodies to be necessary and to directly  
 15 result from the redevelopment project; and

16 ~~[(19)]~~ (22) "Vacant land", any parcel or combination of parcels of real property not used for  
 17 industrial, commercial, or residential buildings."; and

18  
 19 Further amended said bill, Pages 26-28, Section 99.810, Lines 1-45, by deleting all of said section  
 20 and lines and inserting in lieu thereof the following:

21  
 22 "99.810. 1. Each redevelopment plan shall set forth in writing a general description of the  
 23 program to be undertaken to accomplish the objectives and shall include, but need not be limited to,  
 24 the estimated redevelopment project costs, the anticipated sources of funds to pay the costs,  
 25 evidence of the commitments to finance the project costs, the anticipated type and term of the  
 26 sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most  
 27 recent equalized assessed valuation of the property within the redevelopment area which is to be  
 28 subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an  
 29 estimate as to the equalized assessed valuation after redevelopment, and the general land uses to  
 30 apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without  
 31 findings that:

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

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

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

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

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

8 (6) A finding that the plan does not include the initial development or redevelopment of any  
9 gambling establishment, provided however, that this subdivision shall be applicable only to a  
10 redevelopment plan adopted for a redevelopment area designated by ordinance after December 23,  
11 1997.

12 2. Tax increment allocation financing shall not be adopted under sections 99.800 to 99.865  
13 in a retail area unless such financing is exclusively utilized to fund retail infrastructure projects or  
14 unless such area is a blighted area or conservation area. The provisions of this subsection shall not  
15 apply to any tax increment allocation financing project or plan approved before August 28, 2020,  
16 nor to any amendment to tax increment allocation financing projects and plans where such projects  
17 or plans were originally approved before August 28, 2020, provided that such an amendment does  
18 not add buildings of new construction in excess of twenty-five percent of the scope of the original  
19 redevelopment agreement.

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

25 99.821. Notwithstanding any provision of sections 99.800 to 99.865 to the contrary,  
26 redevelopment plans approved or amended after December 31, 2020, by a city not within a county  
27 may provide for the deposit of up to ten percent of the tax increment financing revenues generated  
28 pursuant to section 99.845 into a strategic infrastructure for economic growth fund established by  
29 such city in lieu of deposit into the special allocation fund. Moneys deposited into the strategic  
30 infrastructure for economic growth fund pursuant to this section may be expended by the city  
31 establishing such fund for the purpose of funding capital investments in public infrastructure that the  
32 governing body of such city has determined to be in a census tract that is defined as a low-income  
33 community under 26 U.S.C. Section 45D(e) or is eligible to be designated as a qualified opportunity  
34 zone under 26 U.S.C. Section 1400Z-1."; and

35  
36 Further amend said bill, Pages 28-29, Section 99.825, Lines 1-46, by deleting said section and lines  
37 from the bill; and

38  
39 Further amend said bill, Page 29, Section 99.843, Lines 1-6, by deleting all of said section and lines  
40 and inserting in lieu thereof the following:

41  
42 "99.843. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no  
43 new tax increment financing project shall be authorized in any greenfield area, as such term is  
44 defined in section 99.805 [~~that is located within a city not within a county or any county subject to~~  
45 ~~the authority of the East-West Gateway Council of Governments. Municipalities not subject to the~~  
46 ~~authority of the East-West Gateway Council of Governments may authorize tax increment finance~~  
47 ~~projects in greenfield areas].~~

48 99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no  
49 new tax increment financing project shall be authorized in any area which is within an area

1 designated as flood plain by the Federal Emergency Management Agency [~~and which is located in~~  
2 ~~or partly within a county with a charter form of government with greater than two hundred fifty~~  
3 ~~thousand inhabitants but fewer than three hundred thousand inhabitants, unless the redevelopment~~  
4 ~~area actually abuts a river or a major waterway and is substantially surrounded by contiguous~~  
5 ~~properties with residential, industrial, or commercial zoning classifications]~~ unless such project is  
6 located in:

7 (1) A county with a charter form of government and with more than six hundred thousand  
8 but fewer than seven hundred thousand inhabitants;

9 (2) A county of the first classification with more than two hundred thousand but fewer than  
10 two hundred sixty thousand inhabitants;

11 (3) A county of the first classification with more than eighty-three thousand but fewer than  
12 ninety-two thousand inhabitants and with a city of the fourth classification with more than four  
13 thousand five hundred but fewer than five thousand inhabitants as the county seat;

14 (4) A home rule city with more than seventy-one thousand but fewer than seventy-nine  
15 thousand inhabitants;

16 (5) A home rule city with more than one hundred fifty-five thousand but fewer than two  
17 hundred thousand inhabitants;

18 (6) A port district created under the provisions of chapter 68, provided that such financing is  
19 exclusively utilized to fund a port infrastructure project that is approved by the port authority; or

20 (7) A levee district created pursuant to chapter 245 or a drainage district created pursuant to  
21 chapters 242 or 243 prior to August 28, 2020.

22 2. This [~~subsection] section shall not apply to tax increment financing projects or districts~~  
23 ~~approved prior to [July 1, 2003,] June 30, 2021, and shall allow [the aforementioned] such tax~~  
24 ~~increment financing projects to modify, amend or expand such projects including redevelopment~~  
25 ~~project costs by not more than forty percent of such project original projected cost [including~~  
26 ~~redevelopment project costs] as such projects including redevelopment project costs as such projects~~  
27 ~~redevelopment projects [including redevelopment project costs existed as of June 30, 2003, and~~  
28 ~~shall allow the aforementioned tax increment financing district to modify, amend or expand such~~  
29 ~~districts by not more than five percent as such districts existed as of June 30, 2003].~~

30 3. The provisions of subsections 1 and 2 of this section notwithstanding, no new tax  
31 increment financing project shall be authorized in any area which is within an area designated as  
32 flood plain by the Federal Emergency Management Agency and which is located in or partly within  
33 a county with a charter form of government and with more than three hundred thousand but fewer  
34 than four hundred fifty thousand inhabitants, unless the redevelopment area actually abuts a river or  
35 a major waterway and is substantially surrounded by contiguous properties with residential,  
36 industrial, or commercial zoning classifications.

37 99.848. 1. (1) Notwithstanding subsection 1 of section 99.845, any [district or county]  
38 ambulance district board operating under chapter 190, any fire protection district board operating  
39 under chapter 321, or any governing body operating a 911 center providing dispatch services under  
40 chapter 190 or chapter 321 imposing a property tax for the purposes of providing emergency  
41 services pursuant to chapter 190 or 321 shall be entitled to reimbursement from the special  
42 allocation fund in the amount of at least fifty percent but not more than one hundred percent of the  
43 district's or 911 center's tax increment. This [section] subsection shall not apply to tax increment  
44 financing projects or [districts] redevelopment areas approved prior to August 28, 2004.

45 [~~2-~~] (2) Beginning August 28, 2018, an ambulance district board operating under chapter  
46 190, a fire protection district board operating under chapter 321, or the governing body of a county  
47 operating a 911 center providing emergency or dispatch services under chapter 190 or 321 imposing  
48 a property tax for the purpose of providing emergency services pursuant to chapter 190 or 321 shall  
49 annually set the reimbursement rate under this subsection [1 of this section] prior to [the time the

1 assessment is paid into the special allocation fund] November thirtieth preceding the calendar year  
2 for which the annual reimbursement is being set. If the redevelopment plan, area, or project is  
3 amended by ordinance or by other means after August 28, 2018, the ambulance or fire protection  
4 district board or the governing body of a county operating a 911 center providing emergency or  
5 dispatch services under chapter 190 or 321 shall have the right to recalculate the reimbursement  
6 rate under this [section] subdivision.

7 2. (1) Notwithstanding subsection 1 of section 99.845, any ambulance district board  
8 operating under chapter 190, any fire protection district operating under chapter 321, or any  
9 governing body operating a 911 center imposing an economic activities tax for the purposes of  
10 providing emergency services pursuant to chapter 190 or 321 shall be entitled to reimbursement  
11 from the special allocation fund in the amount of at least fifty percent but not more than one  
12 hundred percent of the district's or 911 center's tax increment. This subsection shall not apply to tax  
13 increment financing projects or redevelopment areas approved prior to August 28, 2020.

14 (2) Beginning August 28, 2020, any ambulance district board operating under chapter 190,  
15 any fire protection district operating under chapter 321, or any governing body operating a 911  
16 center providing dispatch services under chapter 190 or chapter 321 shall annually set the  
17 reimbursement rate under this subsection prior to November thirtieth preceding the calendar year for  
18 which the annual reimbursement is being set. If the redevelopment plan, area, or project is  
19 amended by ordinance or by other means after August 28, 2020, the ambulance or fire protection  
20 district board or the governing body of a county operating a 911 center providing emergency or  
21 dispatch services under chapter 190 or 321 shall have the right to recalculate the reimbursement rate  
22 under this subdivision."; and

23  
24 Further amend said bill by amending the title, enacting clause, and intersectional references  
25 accordingly.