

SECOND REGULAR SESSION

HOUSE BILL NO. 1116

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JOHNSON (47) (Sponsor), WALKER, YOUNG, SAGER, LOWE, PHILLIPS, JOLLY, BURNETT, DOUGHERTY, SKAGGS, LeVOTA, BAKER, KELLY (36), CAMPBELL, MEINERS, BISHOP, CURLS, BROOKS AND BLAND (Co-sponsors).

Read 1st time January 15, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3704L.011

AN ACT

To repeal section 99.845 as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289, ninety-second general assembly, first regular session and senate bill no. 235, ninety-second general assembly, first regular session, and section 99.845 as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, and to enact in lieu thereof one new section relating to tax increment financing, with an emergency clause.

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

Section A. Section 99.845, as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289, ninety-second general assembly, first regular session and senate bill no. 235, ninety-second general assembly, first regular session, and section 99.845 as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, are repealed and one new section enacted in lieu thereof, to be known as section 99.845, to read as follows:

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

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, **or, taxes levied and imposed**
68 **pursuant to sections 94.600 to 94.655, RSMo, as authorized by the voters at a special**
69 **election on November 4, 2003**, shall be allocated to, and paid by the local political subdivision
70 collecting officer to the treasurer or other designated financial officer of the municipality, who
71 shall deposit such funds in a separate segregated account within the special allocation fund. Any
72 provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a
73 municipality and any other political subdivision which provides for an appropriation of other
74 municipal revenues to the special allocation fund shall be and remain enforceable.

75 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
76 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
77 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from

78 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
79 which are generated by economic activities within the area of the redevelopment project over the
80 amount of such taxes generated by economic activities within the area of the redevelopment
81 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
82 while tax increment financing remains in effect, but excluding personal property taxes, taxes
83 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
84 taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the
85 purpose of public transportation pursuant to section 94.660, RSMo, **or, taxes levied and**
86 **imposed pursuant to sections 94.600 to 94.655, RSMo, as authorized by the voters at a**
87 **special election on November 4, 2003,** licenses, fees or special assessments other than payments
88 in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the local
89 political subdivision collecting officer to the treasurer or other designated financial officer of the
90 municipality, who shall deposit such funds in a separate segregated account within the special
91 allocation fund.

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

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

108 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
109 financing fund shall be made unless an appropriation is made from the general revenue fund for
110 that purpose. No municipality shall commit any state revenues prior to an appropriation being
111 made for that project. For all redevelopment plans or projects adopted or approved after
112 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
113 Missouri supplemental tax increment financing fund into the special allocation fund unless the

114 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
115 and fifty percent of economic activity taxes generated by the project shall be used for eligible
116 redevelopment project costs while tax increment financing remains in effect. This account shall
117 be separate from the account into which payments in lieu of taxes are deposited, and separate
118 from the account into which economic activity taxes are deposited.

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

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

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

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

145 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise
146 zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal
147 empowerment zones, or to blighted areas located in central business districts or urban core areas
148 of cities which districts or urban core areas at the time of approval of the project by ordinance,
149 provided that the enterprise zones, federal empowerment zones or blighted areas contained one

150 or more buildings at least fifty years old; and

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

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

157 10. The initial appropriation of up to fifty percent of the new state revenues authorized
158 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the
159 department of economic development to a municipality until all of the following conditions have
160 been satisfied:

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

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

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

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

174 (d) The official statement of any bond issue pursuant to this subsection after December
175 23, 1997;

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

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

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

185 (h) The name, street and mailing address, and phone number of the mayor or chief

- 186 executive officer of the municipality;
- 187 (i) The street address of the development site;
- 188 (j) The three-digit North American Industry Classification System number or numbers
189 characterizing the development project;
- 190 (k) The estimated development project costs;
- 191 (l) The anticipated sources of funds to pay such development project costs;
- 192 (m) Evidence of the commitments to finance such development project costs;
- 193 (n) The anticipated type and term of the sources of funds to pay such development
194 project costs;
- 195 (o) The anticipated type and terms of the obligations to be issued;
- 196 (p) The most recent equalized assessed valuation of the property within the development
197 project area;
- 198 (q) An estimate as to the equalized assessed valuation after the development project area
199 is developed in accordance with a development plan;
- 200 (r) The general land uses to apply in the development area;
- 201 (s) The total number of individuals employed in the development area, broken down by
202 full-time, part-time, and temporary positions;
- 203 (t) The total number of full-time equivalent positions in the development area;
- 204 (u) The current gross wages, state income tax withholdings, and federal income tax
205 withholdings for individuals employed in the development area;
- 206 (v) The total number of individuals employed in this state by the corporate parent of any
207 business benefitting from public expenditures in the development area, and all subsidiaries
208 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
209 and temporary positions;
- 210 (w) The number of new jobs to be created by any business benefitting from public
211 expenditures in the development area, broken down by full-time, part-time, and temporary
212 positions;
- 213 (x) The average hourly wage to be paid to all current and new employees at the project
214 site, broken down by full-time, part-time, and temporary positions;
- 215 (y) For project sites located in a metropolitan statistical area, as defined by the federal
216 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
217 in this state for the industries involved at the project, as established by the United States Bureau
218 of Labor Statistics;
- 219 (z) For project sites located outside of metropolitan statistical areas, the average weekly
220 wage paid to nonmanagerial employees in the county for industries involved at the project, as
221 established by the United States Department of Commerce;

- 222 (aa) A list of other community and economic benefits to result from the project;
- 223 (bb) A list of all development subsidies that any business benefiting from public
224 expenditures in the development area has previously received for the project, and the name of
225 any other granting body from which such subsidies are sought;
- 226 (cc) A list of all other public investments made or to be made by this state or units of
227 local government to support infrastructure or other needs generated by the project for which the
228 funding pursuant to this act is being sought;
- 229 (dd) A statement as to whether the development project may reduce employment at any
230 other site, within or without the state, resulting from automation, merger, acquisition, corporate
231 restructuring, relocation, or other business activity;
- 232 (ee) A statement as to whether or not the project involves the relocation of work from
233 another address and if so, the number of jobs to be relocated and the address from which they
234 are to be relocated;
- 235 (ff) A list of competing businesses in the county containing the development area and
236 in each contiguous county;
- 237 (gg) A market study for the development area;
- 238 (hh) A certification by the chief officer of the applicant as to the accuracy of the
239 development plan;
- 240 (2) The methodologies used in the application for determining the base year and
241 determining the estimate of the incremental increase in the general revenue portion of the state
242 sales tax revenues or the state income tax withheld by employers on behalf of new employees
243 who fill new jobs created in the redevelopment area shall be approved by the director of the
244 department of economic development or his or her designee and the commissioner of the office
245 of administration or his or her designee. Upon approval of the application, the director of the
246 department of economic development or his or her designee and the commissioner of the office
247 of administration or his or her designee shall issue a certificate of approval. The department of
248 economic development may request the appropriation following application approval;
- 249 (3) The appropriation shall be either a portion of the estimate of the incremental increase
250 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion
251 of the estimate of the state income tax withheld by the employer on behalf of new employees
252 who fill new jobs created in the redevelopment area as indicated in the municipality's application,
253 approved by the director of the department of economic development or his or her designee and
254 the commissioner of the office of administration or his or her designee. At no time shall the
255 aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen
256 million dollars;
- 257 (4) Redevelopment plans and projects receiving new state revenues shall have a duration

258 of up to fifteen years, unless prior approval for a longer term is given by the director of the
259 department of economic development or his or her designee and the commissioner of the office
260 of administration or his or her designee; except that, in no case shall the duration exceed
261 twenty-three years.

262 11. In addition to the areas authorized in subsection 9 of this section, the funding
263 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
264 levee district, where construction of a levee begins after December 23, 1997, and which is
265 contained within a county of the first classification without a charter form of government with
266 a population between fifty thousand and one hundred thousand inhabitants which contains all
267 or part of a city with a population in excess of four hundred thousand or more inhabitants.

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

277 13. All personnel and other costs incurred by the department of economic development
278 for the administration and operation of subsections 4 to 12 of this section shall be paid from the
279 state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for
280 the full amount of such costs by the developer or developers of the project or projects for which
281 municipalities have made tax increment financing applications for the appropriation of new state
282 revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs
283 charged to each developer shall be based upon the percentage arrived at by dividing the monetary
284 amount of the application made by each municipality for a particular project by the total
285 monetary amount of all applications received by the department of economic development.

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

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

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

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

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

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

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

87 local political subdivision collecting officer to the treasurer or other designated
88 financial officer of the municipality, who shall deposit such funds in a separate
89 segregated account within the special allocation fund.

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

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

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

120 7. In order for the redevelopment plan or project to be eligible to receive the
121 revenue described in subsection 4 of this section, the municipality shall comply with
122 the requirements of subsection 10 of this section prior to the time the project or plan
123 is adopted or approved by ordinance. The director of the department of economic
124 development and the commissioner of the office of administration may waive the
125 requirement that the municipality's application be submitted prior to the
126 redevelopment plan's or project's adoption or the redevelopment plan's or project's
127 approval by ordinance.

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

129 (1) The incremental increase in the general revenue portion of state sales tax

130 revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are
131 constitutionally dedicated, taxes deposited to the school district trust fund in
132 accordance with section 144.701, RSMo, sales and use taxes on motor vehicles,
133 trailers, boats and outboard motors and future sales taxes earmarked by law. The
134 incremental increase in the general revenue portion of state sales tax revenues for an
135 existing or relocated facility shall be the amount that current state sales tax revenue
136 exceeds the state sales tax revenue in the base year as stated in the redevelopment
137 plan as provided in subsection 10 of this section; or

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

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

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

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

159 10. The initial appropriation of up to fifty percent of the new state revenues
160 authorized pursuant to subsections 4 and 5 of this section shall not be made to or
161 distributed by the department of economic development to a municipality until all of
162 the following conditions have been satisfied:

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

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

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

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

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

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

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

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

189 (2) The methodologies used in the application for determining the base year
190 and determining the estimate of the incremental increase in the general revenue
191 portion of the state sales tax revenues or the state income tax withheld by employers
192 on behalf of new employees who fill new jobs created in the redevelopment area shall
193 be approved by the director of the department of economic development or his or her
194 designee and the commissioner of the office of administration or his or her designee.
195 Upon approval of the application, the director of the department of economic
196 development or his or her designee and the commissioner of the office of
197 administration or his or her designee shall issue a certificate of approval. The
198 department of economic development may request the appropriation following
199 application approval;

200 (3) The appropriation shall be either a portion of the estimate of the
201 incremental increase in the general revenue portion of state sales tax revenues in the
202 redevelopment area or a portion of the estimate of the state income tax withheld by
203 the employer on behalf of new employees who fill new jobs created in the
204 redevelopment area as indicated in the municipality's application, approved by the
205 director of the department of economic development or his or her designee and the
206 commissioner of the office of administration or his or her designee. At no time shall
207 the aggregate annual appropriation of the new state revenues for redevelopment areas
208 exceed fifteen million dollars;

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

214 11. In addition to the areas authorized in subsection 9 of this section, the
215 funding authorized pursuant to subsection 4 of this section shall also be available in

216 a federally approved levee district, where construction of a levee begins after
217 December 23, 1997, and which is contained within a county of the first classification
218 without a charter form of government with a population between fifty thousand and
219 one hundred thousand inhabitants which contains all or part of a city with a
220 population in excess of four hundred thousand or more inhabitants.

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

231 13. All personnel and other costs incurred by the department of economic
232 development for the administration and operation of subsections 4 to 12 of this
233 section shall be paid from the state general revenue fund. On an annual basis, the
234 general revenue fund shall be reimbursed for the full amount of such costs by the
235 developer or developers of the project or projects for which municipalities have made
236 tax increment financing applications for the appropriation of new state revenues, as
237 provided for in subdivision (1) of subsection 10 of this section. The amount of costs
238 charged to each developer shall be based upon the percentage arrived at by dividing
239 the monetary amount of the application made by each municipality for a particular
240 project by the total monetary amount of all applications received by the department
241 of economic development.

242 14. For redevelopment plans or projects approved by ordinance that result in
243 net new jobs from the relocation of a national headquarters from another state to the
244 area of the redevelopment project, the economic activity taxes and new state tax
245 revenues shall not be based on a calculation of the incremental increase in taxes as
246 compared to the base year or prior calendar year for such redevelopment project,
247 rather the incremental increase shall be the amount of total taxes generated from the
248 net new jobs brought in by the national headquarters from another state. In no event
249 shall this subsection be construed to allow a redevelopment project to receive an
250 appropriation in excess of up to fifty percent of the new state revenues.]

Section B. Because immediate action is necessary to preserve certain sales tax revenues

2 for the purpose for which they were voted, section A of this act is deemed necessary for the
3 immediate preservation of the public health, welfare, peace, and safety, and is hereby declared
4 to be an emergency act within the meaning of the constitution, and section A of this act shall be
5 in full force and effect upon its passage and approval.