

SECOND REGULAR SESSION

HOUSE BILL NO. 1203

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES YATES (Sponsor), DEMPSEY, STEVENSON, DUSENBERG, BAKER, CUNNINGHAM (86), RUESTMAN, PEARCE, HOBBS AND HARRIS (110) (Co-sponsors).

Read 1st time January 21, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3409L.011

AN ACT

To repeal section 99.845, RSMo, 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, RSMo, 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 school board approval of tax increment financing.

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

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6 session, is repealed and one new section enacted in lieu thereof, to be known as section 99.845,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

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

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.

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 percent of the total additional revenue from
77 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
78 which are generated by economic activities within the area of the redevelopment project over the

79 amount of such taxes generated by economic activities within the area of the redevelopment
80 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
81 while tax increment financing remains in effect, but excluding personal property taxes, taxes
82 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
83 taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the
84 purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special
85 assessments other than payments in lieu of taxes and penalties and interest thereon, shall be
86 allocated to, and paid by the local political subdivision collecting officer to the treasurer or other
87 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 percent of the new state revenues,
93 as defined in subsection 8 of this section, estimated for the businesses within the project area and
94 identified by the municipality in the application required by subsection 10 of this section, over
95 and above the amount of such taxes reported by businesses within the project area as identified
96 by the municipality in their application prior to the approval of the redevelopment project by
97 ordinance, while tax increment financing remains in effect, may be available for appropriation
98 by the general assembly as provided in subsection 10 of this section to the department of
99 economic development supplemental tax increment financing fund, from the general revenue
100 fund, for distribution to the treasurer or other designated financial officer of the municipality
101 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 benefitting 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 benefitting 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 benefitting 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 act] **under the real property tax increment allocation**
226 **redevelopment act** is being sought;

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

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

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

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

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

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

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

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

259 twenty-three years.

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

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

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

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

292 **15. For all municipality redevelopment plans and projects undertaken after August**
293 **28, 2004, except for projects undertaken in blighted areas located in central business**
294 **districts, as those terms are defined in section 99.918, and except for projects undertaken**

295 **under subsection 9 of this section, this section shall apply to a municipality's redevelopment**
296 **plans and projects in redevelopment areas consisting of or containing residential and**
297 **multifamily properties only upon approval of the tax increment allocation financing**
298 **proposal by the school board or boards of the school district or districts in which the**
299 **residential or multifamily properties are located.**

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

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

27 (2) Payments in lieu of taxes attributable to the increase in the
28 current equalized assessed valuation of each taxable lot, block, tract,
29 or parcel of real property in the area selected for the redevelopment
30 project and any applicable penalty and interest over and above the
31 initial equalized assessed value of each such unit of property in the
32 area selected for the redevelopment project shall be allocated to and,
33 when collected, shall be paid to the municipal treasurer who shall
34 deposit such payment in lieu of taxes into a special fund called the
35 "Special Allocation Fund" of the municipality for the purpose of
36 paying redevelopment costs and obligations incurred in the payment
37 thereof. Payments in lieu of taxes which are due and owing shall
constitute a lien against the real estate of the redevelopment project

38 from which they are derived and shall be collected in the same
39 manner as the real property tax, including the assessment of penalties
40 and interest where applicable. The municipality may, in the
41 ordinance, pledge the funds in the special allocation fund for the
42 payment of such costs and obligations and provide for the collection
43 of payments in lieu of taxes, the lien of which may be foreclosed in
44 the same manner as a special assessment lien as provided in section
45 88.861, RSMo. No part of the current equalized assessed valuation
46 of each lot, block, tract, or parcel of property in the area selected for
47 the redevelopment project attributable to any increase above the total
48 initial equalized assessed value of such properties shall be used in
49 calculating the general state school aid formula provided for in
50 section 163.031, RSMo, until such time as all redevelopment costs
51 have been paid as provided for in this section and section 99.850;

52 (3) For purposes of this section, "levies upon taxable real
53 property in such redevelopment project by taxing districts" shall not
54 include the blind pension fund tax levied under the authority of article
55 III, section 38(b) of the Missouri Constitution, or the merchants' and
56 manufacturers' inventory replacement tax levied under the authority
57 of subsection 2 of section 6 of article X, of the Missouri Constitution,
58 except in redevelopment project areas in which tax increment
59 financing has been adopted by ordinance pursuant to a plan approved
60 by vote of the governing body of the municipality taken after August
61 13, 1982, and before January 1, 1998.

62 2. In addition to the payments in lieu of taxes described in
63 subdivision (2) of subsection 1 of this section, for redevelopment
64 plans and projects adopted or redevelopment projects approved by
65 ordinance after July 12, 1990, and prior to August 31, 1991, fifty
66 percent of the total additional revenue from taxes, penalties and
67 interest imposed by the municipality, or other taxing districts, which
68 are generated by economic activities within the area of the
69 redevelopment project over the amount of such taxes generated by
70 economic activities within the area of the redevelopment project in
71 the calendar year prior to the adoption of the redevelopment project
72 by ordinance, while tax increment financing remains in effect, but
73 excluding taxes imposed on sales or charges for sleeping rooms paid
74 by transient guests of hotels and motels, taxes levied pursuant to
75 section 70.500, RSMo, licenses, fees or special assessments other
76 than payments in lieu of taxes and any penalty and interest thereon,
77 or, effective January 1, 1998, taxes levied pursuant to section 94.660,
78 RSMo, for the purpose of public transportation, shall be allocated to,
79 and paid by the local political subdivision collecting officer to the
80 treasurer or other designated financial officer of the municipality,

81 who shall deposit such funds in a separate segregated account within
82 the special allocation fund. Any provision of an agreement, contract
83 or covenant entered into prior to July 12, 1990, between a
84 municipality and any other political subdivision which provides for
85 an appropriation of other municipal revenues to the special allocation
86 fund shall be and remain enforceable.

87 3. In addition to the payments in lieu of taxes described in
88 subdivision (2) of subsection 1 of this section, for redevelopment
89 plans and projects adopted or redevelopment projects approved by
90 ordinance after August 31, 1991, fifty percent of the total additional
91 revenue from taxes, penalties and interest which are imposed by the
92 municipality or other taxing districts, and which are generated by
93 economic activities within the area of the redevelopment project over
94 the amount of such taxes generated by economic activities within the
95 area of the redevelopment project in the calendar year prior to the
96 adoption of the redevelopment project by ordinance, while tax
97 increment financing remains in effect, but excluding personal
98 property taxes, taxes imposed on sales or charges for sleeping rooms
99 paid by transient guests of hotels and motels, taxes levied pursuant to
100 section 70.500, RSMo, or effective January 1, 1998, taxes levied for
101 the purpose of public transportation pursuant to section 94.660,
102 RSMo, licenses, fees or special assessments other than payments in
103 lieu of taxes and penalties and interest thereon, shall be allocated to,
104 and paid by the local political subdivision collecting officer to the
105 treasurer or other designated financial officer of the municipality,
106 who shall deposit such funds in a separate segregated account within
107 the special allocation fund.

108 4. Beginning January 1, 1998, for redevelopment plans and
109 projects adopted or redevelopment projects approved by ordinance
110 and which have complied with subsections 4 to 12 of this section, in
111 addition to the payments in lieu of taxes and economic activity taxes
112 described in subsections 1, 2 and 3 of this section, up to fifty percent
113 of the new state revenues, as defined in subsection 8 of this section,
114 estimated for the businesses within the project area and identified by
115 the municipality in the application required by subsection 10 of this
116 section, over and above the amount of such taxes reported by
117 businesses within the project area as identified by the municipality in
118 their application prior to the approval of the redevelopment project by
119 ordinance, while tax increment financing remains in effect, may be
120 available for appropriation by the general assembly as provided in
121 subsection 10 of this section to the department of economic
122 development supplemental tax increment financing fund, from the
123 general revenue fund, for distribution to the treasurer or other

124 designated financial officer of the municipality with approved plans
125 or projects.

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

130 6. No transfer from the general revenue fund to the Missouri
131 supplemental tax increment financing fund shall be made unless an
132 appropriation is made from the general revenue fund for that purpose.
133 No municipality shall commit any state revenues prior to an
134 appropriation being made for that project. For all redevelopment
135 plans or projects adopted or approved after December 23, 1997,
136 appropriations from the new state revenues shall not be distributed
137 from the Missouri supplemental tax increment financing fund into the
138 special allocation fund unless the municipality's redevelopment plan
139 ensures that one hundred percent of payments in lieu of taxes and
140 fifty percent of economic activity taxes generated by the project shall
141 be used for eligible redevelopment project costs while tax increment
142 financing remains in effect. This account shall be separate from the
143 account into which payments in lieu of taxes are deposited, and
144 separate from the account into which economic activity taxes are
145 deposited.

146 7. In order for the redevelopment plan or project to be eligible
147 to receive the revenue described in subsection 4 of this section, the
148 municipality shall comply with the requirements of subsection 10 of
149 this section prior to the time the project or plan is adopted or
150 approved by ordinance. The director of the department of economic
151 development and the commissioner of the office of administration
152 may waive the requirement that the municipality's application be
153 submitted prior to the redevelopment plan's or project's adoption or
154 the redevelopment plan's or project's approval by ordinance.

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

156 (1) The incremental increase in the general revenue portion
157 of state sales tax revenues received pursuant to section 144.020,
158 RSMo, excluding sales taxes that are constitutionally dedicated, taxes
159 deposited to the school district trust fund in accordance with section
160 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats
161 and outboard motors and future sales taxes earmarked by law. The
162 incremental increase in the general revenue portion of state sales tax
163 revenues for an existing or relocated facility shall be the amount that
164 current state sales tax revenue exceeds the state sales tax revenue in
165 the base year as stated in the redevelopment plan as provided in
166 subsection 10 of this section; or

167 (2) The state income tax withheld on behalf of new
168 employees by the employer pursuant to section 143.221, RSMo, at the
169 business located within the project as identified by the municipality.
170 The state income tax withholding allowed by this section shall be the
171 municipality's estimate of the amount of state income tax withheld by
172 the employer within the redevelopment area for new employees who
173 fill new jobs directly created by the tax increment financing project.

174 9. Subsection 4 of this section shall apply only to blighted
175 areas located in enterprise zones, pursuant to sections 135.200 to
176 135.256, RSMo, blighted areas located in federal empowerment
177 zones, or to blighted areas located in central business districts or
178 urban core areas of cities which districts or urban core areas at the
179 time of approval of the project by ordinance, provided that the
180 enterprise zones, federal empowerment zones or blighted areas
181 contained one or more buildings at least fifty years old; and

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

185 (2) Was a historic hotel located in a county of the first
186 classification without a charter form of government with a population
187 according to the most recent federal decennial census in excess of one
188 hundred fifty thousand and containing a portion of a city with a
189 population according to the most recent federal decennial census in
190 excess of three hundred fifty thousand.

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

196 (1) The director of the department of economic development
197 or his or her designee and the commissioner of the office of
198 administration or his or her designee have approved a tax increment
199 financing application made by the municipality for the appropriation
200 of the new state revenues. The municipality shall include in the
201 application the following items in addition to the items in section
202 99.810:

203 (a) The tax increment financing district or redevelopment
204 area, including the businesses identified within the redevelopment
205 area;

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

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

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

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

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

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

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

242 (3) The appropriation shall be either a portion of the estimate
243 of the incremental increase in the general revenue portion of state
244 sales tax revenues in the redevelopment area or a portion of the
245 estimate of the state income tax withheld by the employer on behalf
246 of new employees who fill new jobs created in the redevelopment
247 area as indicated in the municipality's application, approved by the
248 director of the department of economic development or his or her
249 designee and the commissioner of the office of administration or his
250 or her designee. At no time shall the aggregate annual appropriation
251 of the new state revenues for redevelopment areas exceed fifteen
252 million dollars;

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

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

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

280 13. All personnel and other costs incurred by the department
281 of economic development for the administration and operation of
282 subsections 4 to 12 of this section shall be paid from the state general
283 revenue fund. On an annual basis, the general revenue fund shall be
284 reimbursed for the full amount of such costs by the developer or
285 developers of the project or projects for which municipalities have
286 made tax increment financing applications for the appropriation of
287 new state revenues, as provided for in subdivision (1) of subsection
288 10 of this section. The amount of costs charged to each developer
289 shall be based upon the percentage arrived at by dividing the
290 monetary amount of the application made by each municipality for a
291 particular project by the total monetary amount of all applications
292 received by the department of economic development.

293 14. For redevelopment plans or projects approved by
294 ordinance that result in net new jobs from the relocation of a national
295 headquarters from another state to the area of the redevelopment

296 project, the economic activity taxes and new state tax revenues shall
297 not be based on a calculation of the incremental increase in taxes as
298 compared to the base year or prior calendar year for such
299 redevelopment project, rather the incremental increase shall be the
300 amount of total taxes generated from the net new jobs brought in by
301 the national headquarters from another state. In no event shall this
302 subsection be construed to allow a redevelopment project to receive
303 an appropriation in excess of up to fifty percent of the new state
304 revenues.]