

AN ACT

To amend chapter 99, RSMo, by adding thereto one new section relating to tax increment financing guidelines.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Chapter 99, RSMo, is amended by adding thereto one new section, to be known as section 99.866, to read as follows:

99.866. 1. For all redevelopment areas, redevelopment plans, and redevelopment projects designated and approved after December 31, 2004, tax increment financing shall not be used for more than twenty-five percent of the total estimated redevelopment costs of a project that is primarily retail. Tax increment financing shall not be used to develop sites in which twenty-five percent or more of the area is vacant and has not previously been developed or qualifies as "open space" pursuant to section 67.900, RSMo, or is presently being used for agricultural or horticultural purposes, except where the redevelopment project is contained in the municipality's comprehensive plan which was adopted prior to January 1, 2002.

2. Commencing with the first fiscal year in which any municipality receives any payments in lieu of taxes from a redevelopment project and continuing through the last fiscal year in which the municipality receives such payments, the

municipality shall pay to any other taxing entities entitled to receive revenue from levies on real property in such municipality, an amount equal to twenty-five percent of the payments in lieu of taxes received by the municipality. This amount shall be divided among the other affected taxing entities on a basis that is proportional to the collections of revenue from real property in the development area to which each such taxing district is entitled during that tax year. When a tax increment financing project includes residential uses, absent a recommendation to the contrary from commission members representing the affected school board or boards, real property tax levies attributable to the residential portion of the development shall pass through to the school district or districts.