

HCS HB 1529 & 1655 -- TAX INCREMENT FINANCING

SPONSOR: Dempsey (Lembke, 85)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Job Creation and Economic Development by a vote of 17 to 0.

This substitute allows fire departments and emergency medical services providers to collect 50% to 100% of their lost tax revenue from the special allocation fund, instead of 25% to 100% that is currently allowed. The provisions of the substitute will only apply to tax increment financing projects approved after August 28, 2004.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that fire protection districts are usually burdened by tax increment financing (TIF) projects because TIF projects bring more people, businesses, and homes to an area where few existed before. These people, businesses, and homes must be protected by the fire district, and the district is usually required to purchase new equipment and hire new firefighters in order to meet necessary protection requirements. The bill will raise the minimum amount that must be reimbursed to the fire department, ensuring that they will receive more than before.

Testifying for the bill were Representative Lembke (85); Fire Service Alliance; Missouri Fire Chiefs Association; St. Louis Metro Fire Alliance and Fenton Protection District; Central County Fire and Rescue; St. Charles County; St. Charles County Ambulance District; and Missouri State Council of Firefighters.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst