

HB 45 -- Tax Increment Financing Guidelines

Sponsor: Johnson (47)

For projects approved after December 31, 2005, this bill permits tax increment financing (TIF) to be used for no more than 25% of the total estimated redevelopment costs for projects that are primarily retail. The bill prohibits TIF from being used to develop sites in which 25% or more of the area is open space as defined by Section 67.900, RSMo, or if the area is currently being used for agricultural or horticultural purposes. This prohibition does not apply to projects that are contained in a municipality's comprehensive plan if adopted prior to January 1, 2002.

Municipalities that receive payments in lieu of taxes from a redevelopment project are required to pay 25% of these payments to other taxing entities which may be entitled to receive revenue from levies on real property. When a TIF project includes residential uses, the bill requires that the real property tax levies attributable to the residential portion of the development pass through to the school district.