

SECOND REGULAR SESSION

# HOUSE BILL NO. 1782

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES RICHARD (Sponsor), HOBBS, FISHER, SMITH (118),  
WHORTON, AVERY, ERVIN, PEARCE, MUNZLINGER, WILSON (119), CORCORAN, EL-AMIN,  
SUTHERLAND AND MOORE (Co-sponsors).

Read 1st time February 15, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5106L.01I

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### AN ACT

To amend chapter 99, RSMo, by adding thereto sixteen new sections relating to local economic development.

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

Section A. Chapter 99, RSMo, is amended by adding thereto sixteen new sections, to be  
2 known as sections 99.1100, 99.1102, 99.1104, 99.1106, 99.1108, 99.1110, 99.1112, 99.1114,  
3 99.1116, 99.1118, 99.1120, 99.1122, 99.1124, 99.1126, 99.1128, and 99.1130, to read as  
4 follows:

**99.1100. 1. Sections 99.1100 to 99.1130 shall be known and may be cited as the**  
2 **"Missouri Economic Development Code".**

3 **2. Insofar as the provisions of the Missouri economic development code are**  
4 **inconsistent with the provisions of any other law, the provisions of the Missouri economic**  
5 **development code shall be controlling.**

**99.1102. As used in sections 99.1100 to 99.1130, unless otherwise stated, the**  
2 **following terms shall mean:**

3 **(1) "Baseline year", the calendar year prior to the effective date of an ordinance**  
4 **or order by the municipality or county approving a development project; provided,**  
5 **however, if economic activity taxes from businesses, other than businesses locating in the**  
6 **development project area, decrease in the development project area in the year following**

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

7 the year in which the ordinance approving a development project is approved by a  
8 municipality or county, the baseline year may, at the option of the municipality or county  
9 approving the development project, be the year following the year of the adoption of the  
10 ordinance or order approving the development project;

11 (2) "Collecting officer", the officer of the municipality, county, or other taxing  
12 jurisdiction responsible for receiving and processing payments in lieu of taxes and  
13 economic activity taxes and the officer of the municipality, county, or other taxing  
14 jurisdiction responsible for receiving and processing local sales tax revenues collected by  
15 the director of revenue on behalf of such municipality, county, or other taxing jurisdiction;

16 (3) "Commission", the Missouri economic development code job creation  
17 commission for a municipality or county, created under section 99.1104;

18 (4) "County", any county of this state and any city not within a county;

19 (5) "Development area", an area designated by a municipality or county which  
20 shall have the following characteristics:

21 (a) It includes only those parcels of real property directly and substantially  
22 benefited by the proposed development plan;

23 (b) It will be improved by the development project;

24 (c) It is contiguous;

25 (d) It is not included in any other redevelopment plan under this chapter or using  
26 any other tax increment financing program; and

27 (e) The commission has declared development of the area is not likely to occur  
28 without benefit of the proposed development plan;

29 (6) "Development plan", the comprehensive program of a municipality or county  
30 to improve a development area, thereby enhancing the tax bases of the taxing districts  
31 which extend into the development area, through the reimbursement, payment, or other  
32 financing of development project costs in accordance with the Missouri economic  
33 development code. The development plan shall conform to the requirements of section  
34 99.1116;

35 (7) "Development project", any development project within a development area  
36 which constitutes a major initiative in furtherance of the objectives of the development  
37 plan, and any such development project shall include a legal description of the area  
38 selected for such development project;

39 (8) "Development project area", the area located within a development area  
40 selected for a development project;

41 (9) "Development project costs", the costs to the development plan or a  
42 development project, as applicable, which are expended on public property, buildings, or

43 **rights-of-ways for public purposes to provide infrastructure or support for a development**  
44 **project. Such costs shall only be allowed as an initial expense which, to be recoverable,**  
45 **shall be included in the costs of a development plan or development project, including any**  
46 **amendments thereto adopted by the municipality or county. Such infrastructure costs**  
47 **include but are not limited to the following:**

48 **(a) Costs of studies, appraisals, surveys, plans, and specifications;**

49 **(b) Professional service costs, including but not limited to architectural,**  
50 **engineering, legal, marketing, financial, planning, or special services;**

51 **(c) Property assembly costs, including but not limited to acquisition of land and**  
52 **other property, real or personal, or rights or interests therein, demolition of buildings, and**  
53 **the clearing and grading of land;**

54 **(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public**  
55 **buildings and fixtures;**

56 **(e) Costs of construction of public works or improvements;**

57 **(f) Financing costs, including but not limited to all necessary expenses related to the**  
58 **issuance of obligations issued to finance all or any portion of the infrastructure costs of one**  
59 **or more development projects, and which may include capitalized interest on any such**  
60 **obligations and reasonable reserves related to any such obligations;**

61 **(g) All or a portion of a taxing district's capital costs resulting from any**  
62 **development project necessarily incurred or to be incurred in furtherance of the objectives**  
63 **of the development plan, to the extent the municipality or county by written agreement**  
64 **accepts and approves such infrastructure costs; and**

65 **(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes**  
66 **diverted by approval of a development project as approved by the municipality or county.**  
67 **In addition, economic activity taxes and payment in lieu of taxes may be expended on or**  
68 **used to reimburse any reasonable or necessary costs incurred or estimated to be incurred**  
69 **in furtherance of a development plan or a development project;**

70 **(10) "Economic activity taxes", the total additional revenue from taxes which are**  
71 **imposed by the municipality, county, and other taxing districts, and which are generated**  
72 **by economic activities within each development project area, which exceed the amount of**  
73 **such taxes generated by economic activities within such development project area in the**  
74 **baseline year; but excluding personal property taxes, taxes imposed on sales or charges for**  
75 **sleeping rooms paid by transient guests of hotels and motels, licenses, fees, special**  
76 **assessments, and any taxes imposed by the municipality, county, or other taxing district**  
77 **after the effective date of an ordinance or order by the municipality or county approving**  
78 **a development project;**

79           (11) "Gambling establishment", an excursion gambling boat, as defined in section  
80 313.800, RSMo, and any related business facility including any real property  
81 improvements which are directly and solely related to such business facility, whose sole  
82 purpose is to provide goods or services to an excursion gambling boat and whose majority  
83 ownership interest is held by a person licensed to conduct gambling games on an excursion  
84 gambling boat or licensed to operate an excursion gambling boat as provided in sections  
85 313.800 to 313.850, RSMo;

86           (12) "Municipality", any city, village, or incorporated town of this state;

87           (13) "Obligations", bonds, loans, debentures, notes, special certificates, or other  
88 evidences of indebtedness issued by the municipality, county, or commission, or other  
89 public entity authorized to issue such obligations under the Missouri economic  
90 development code to carry out a development project or to refund outstanding obligations;

91           (14) "Ordinance", an ordinance enacted by the governing body of any municipality  
92 or county or an order of the governing body of such a municipal or county entity whose  
93 governing body is not authorized to enact ordinances;

94           (15) "Payment in lieu of taxes", the revenues from real property in each  
95 development project area, which taxing districts would have received had the municipality  
96 or county not adopted a development plan and which would result from levies made after  
97 the effective date of an ordinance or order by the municipality or county approving a  
98 development project during the time the current equalized value of real property in such  
99 development project area exceeds the total equalized value of real property in such  
100 development project area during the baseline year until development financing for such  
101 development project area expires or is terminated pursuant to the Missouri economic  
102 development code;

103           (16) "Special allocation fund", the fund of the municipality or county required to  
104 be established under section 99.1126 which special allocation fund shall contain at least  
105 three separate segregated accounts into which payments in lieu of taxes are deposited in  
106 one account, economic activity taxes are deposited in a second account, and other revenues,  
107 if any, received by the commission or the municipality or county for the purpose of  
108 implementing a development plan or a development project are deposited in a third  
109 account;

110           (17) "Taxing district's capital costs", the costs of taxing districts for capital  
111 improvements that are found by the governing body of the municipal or county to be  
112 necessary and to directly result from a development project;

113           (18) "Taxing districts", any political subdivision of this state having the power to  
114 levy taxes if the future tax revenues of such district would be affected by the establishment  
115 of a development project.

**99.1104.** Each municipality or county may create a commission to be known as a  
2 "Missouri Economic Development Code Job Creation Commission"; provided, however:

3           (1) No such commission shall transact any business or exercise its powers under the  
4 Missouri economic development code until and unless the governing body of such  
5 municipality or county shall approve, by ordinance or order, the exercise of the powers,  
6 functions, and duties of a commission under the Missouri economic development code, as  
7 provided in section 99.1120;

8           (2) No governing body of a municipality or county shall adopt an ordinance under  
9 subdivision (1) of this section unless it finds:

10          (a) That it would be in the interest of the public to consider the establishment of a  
11 development area in accordance with the Missouri economic development code;

12          (b) That the development of such a development area would be in the interest of the  
13 public health, safety, morals, or welfare of the residents of such municipality or county;  
14 and

15          (c) That it is anticipated that such a development area can be improved through a  
16 series of one or more development projects.

**99.1106.** Each commission created under section 99.1104 shall be governed by a  
2 board of commissioners. The number of commissioners serving on the board of each  
3 commission shall be determined by the number of taxing districts located wholly or  
4 partially within the development project area. All commissioners appointed under this  
5 subsection shall be appointed by each taxing district located wholly or partially within the  
6 development project area for a term of two years. Commissioners representing  
7 municipalities and counties shall be appointed by the mayor, chief executive officer, or  
8 governing body of the municipality or county; provided, however, employees of the  
9 municipality or county shall be ineligible for appointment to the commission under this  
10 section. Commissioners representing other taxing districts shall be appointed by the taxing  
11 districts, but failure of one or more taxing districts to appoint a commissioner shall not  
12 prevent the commission from exercising its powers and authorities granted under the  
13 Missouri economic development code. Successor commissioners and all vacancies shall be  
14 filled in the same manner.

**99.1108. 1.** The powers of the commission created under section 99.1104 shall be  
2 exercised by its board of commissioners. A majority of the commissioners shall constitute  
3 a quorum of such board for the purpose of conducting business and exercising the powers

4 of the commission and for all other purposes. Action may be taken by the board upon a  
5 vote of a majority of the commissioners present in person or by teleconference, unless in  
6 any case the bylaws of the commission shall require a larger number. Meetings of the  
7 board of the commission may be held anywhere within the municipality or county.

8       2. The commissioners shall annually elect a chair and vice chair from among the  
9 commissioners. The commission may employ an executive director, technical experts, and  
10 such other officers, agents, and employees, permanent and temporary, as it may require  
11 and shall determine their qualifications, duties, and compensation. For such legal services  
12 as it may require, a commission may call upon the chief law officer of the municipality or  
13 county or may employ its own counsel and legal staff.

14       3. A commissioner shall receive no compensation for his or her services, but may  
15 receive the necessary expenses, including traveling expenses, incurred in the discharge of  
16 his or her duties. Each commissioner shall hold office until a successor has been appointed.

17       4. For inefficiency or neglect of duty or misconduct in office, a commissioner may  
18 be removed by a majority vote of the commission.

99.1110. 1. In any suit, action, or proceeding involving the validity or enforcement  
2 of or relating to any contract of a commission entered into under the Missouri economic  
3 development code, such commission shall be conclusively deemed to have become  
4 established and authorized to transact business and exercise its powers under the Missouri  
5 economic development code upon proof of the adoption of the appropriate ordinance or  
6 order prescribed in section 99.1104. Each such ordinance shall be deemed sufficient if it  
7 authorizes the exercise of powers under the Missouri economic development code by the  
8 commission and sets forth the findings of the municipality or county as required in  
9 subdivision (2) of section 99.1104.

10       2. A copy of such ordinance or order duly certified by the clerk of the municipality  
11 or county shall be admissible in evidence in any suit, action, or proceeding.

12       3. No lawsuit to set aside the creation of a commission, the approval of a  
13 development plan, development project, development area or development project area,  
14 or to otherwise question the validity of the proceedings related thereto, shall be brought  
15 after the expiration of ninety days from the effective date of the ordinance, order, or  
16 resolution in question.

99.1112. 1. The commission created under section 99.1104 shall constitute a public  
2 body corporate and politic, exercising public and essential governmental functions.

3       2. A municipality or county or a commission created under section 99.1104 shall  
4 have all the powers necessary or convenient to carry out and effectuate the purposes and

5 provisions of the Missouri economic development code, including the following powers in  
6 addition to others granted under the Missouri economic development code:

7 (1) To prepare or cause to be prepared and approved development plans and  
8 development projects to be considered at public hearings in accordance with the Missouri  
9 economic development code and to undertake and carry out development plans and  
10 development projects which have been adopted by ordinance, order or act of the  
11 commission;

12 (2) To arrange or contract for the furnishing or repair, by any person or agency,  
13 public or private, of services, privileges, streets, roads, public utilities, or other facilities for  
14 or in connection with any development project;

15 (3) Within a development area, to acquire by purchase, lease, gift, grant, bequest,  
16 devise, obtain options upon, or otherwise acquire any real or personal property or any  
17 interest therein, necessary or incidental to a development project, all in the manner and at  
18 such price as the municipality, county or commission determines is reasonably necessary  
19 to achieve the objectives of a development plan;

20 (4) Within a development area, subject to provisions of section 99.1114 with regard  
21 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,  
22 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose  
23 of any real or personal property or any interest therein, all in the manner and at such price  
24 and subject to any covenants, restrictions, and conditions as the municipality, county or  
25 commission determines is reasonably necessary to achieve the objectives of a development  
26 plan; to make any such covenants, restrictions, or conditions as covenants running with the  
27 land, and to provide appropriate remedies for any breach of any such covenants,  
28 restrictions, or conditions, including the right of the municipality, county or commission  
29 to terminate such contracts and any interest in the property created under thereto;

30 (5) Within a development area, to clear any area by demolition or removal of  
31 existing buildings and structures;

32 (6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site  
33 improvements as necessary or desirable for the preparation of a development area for use  
34 in accordance with a development plan;

35 (7) Within a development area, to fix, charge, and collect fees, rents, and other  
36 charges for the use of any real or personal property, or any portion thereof, in which the  
37 municipality, county or commission has any interest;

38 (8) To accept grants, guarantees, and donations of property, labor, or other things  
39 of value from any public or private source for purposes of implementing a development  
40 plan;

41           (9) In accordance with section 99.1114, to select one or more developers to  
42 implement a development plan, or one or more development projects, or any portion  
43 thereof;

44           (10) To charge as a development project cost the reasonable costs incurred by the  
45 municipality, county, or commission in evaluating, administering, or implementing the  
46 development plan or any development project;

47           (11) To borrow money and issue obligations in accordance with the Missouri  
48 economic development code and provide security for any such loans or obligations;

49           (12) To insure or provide for the insurance of any real or personal property or  
50 operations of the municipality, county, or commission against any risks or hazards,  
51 including the power to pay premiums on any such insurance; and to enter into any  
52 contracts necessary to effectuate the purposes of the Missouri economic development code;

53           (13) Within a development area, to renovate, rehabilitate, own, operate, construct,  
54 repair, or improve any improvements, buildings, parking garages, fixtures, structures, and  
55 other facilities;

56           (14) To invest any funds held in reserves or sinking funds, or any funds not  
57 required for immediate disbursement, in property or securities in which savings banks may  
58 legally invest funds subject to their control; to redeem obligations at the redemption price  
59 established therein or to purchase obligations at less than redemption price, all obligations  
60 so redeemed or purchased to be canceled;

61           (15) To borrow money and to apply for and accept advances, loans, grants,  
62 contributions, and any other form of financial assistance from the federal government, the  
63 state, county, municipality, or other public body or from any sources, public or private, for  
64 the purposes of implementing a development plan, to give such security as may be required  
65 and to enter into and carry out contracts in connection therewith. A municipality, county,  
66 or commission, notwithstanding the provisions of any other law, may include in any  
67 contract for financial assistance with the federal government for a project such conditions  
68 imposed under federal law as the municipality, county, or commission may deem  
69 reasonable and appropriate and which are not inconsistent with the purposes of the  
70 Missouri economic development code;

71           (16) To incur development project costs and make such expenditures as may be  
72 necessary to carry out the purposes of the Missouri economic development code; and to  
73 make expenditures from funds obtained from the federal government without regard to  
74 any other laws pertaining to the making and approval of appropriations and expenditures;

75           (17) To loan the proceeds of obligations issued under the Missouri economic  
76 development code for the purpose of providing for the purchase, construction, extension,



77 or improvement of public infrastructure related to a development project by a developer  
78 under a development contract approved by the municipality, county, or commission in  
79 accordance with subdivision (2) of section 99.1114;

80 (18) To declare any funds, or any portion thereof, in the special allocation fund to  
81 be excess funds, so long as such excess funds have not been pledged to the payment of  
82 outstanding obligations or outstanding development project costs, and are not necessary  
83 for the payment of development project costs incurred or anticipated to be incurred. Any  
84 such funds deemed to be excess shall be disbursed in the manner of surplus funds as  
85 provided in section 99.1128;

86 (19) To pledge or otherwise expend funds deposited to the special allocation fund,  
87 or any portion thereof, for the payment or reimbursement of development project costs  
88 incurred by the commission, the municipality, the county, a developer selected by the  
89 municipality, county or commission, or any other entity with the consent of the  
90 municipality, county or commission; to pledge or otherwise expend funds deposited to the  
91 special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its  
92 property, or any portion thereof, for the payment of obligations issued to finance  
93 development project costs; provided, however, any such pledge or expenditure of economic  
94 activity taxes shall be subject to annual appropriation by the municipality or county; and

95 (20) To exercise all powers or parts or combinations of powers necessary,  
96 convenient, or appropriate to undertake and carry out development plans and any  
97 development projects and all the powers granted under the Missouri economic  
98 development code.

99 3. If any member of the governing body of the municipality or county,  
100 commissioner, or employee or consultant of the municipality, county or commission,  
101 involved in the planning and preparation of a development project, owns or controls an  
102 interest, direct or indirect, in any property included in a development project area, the  
103 individual shall disclose the same in writing to the clerk of the municipality or county, and  
104 shall also so disclose the dates, terms, and conditions of any disposition of any such interest  
105 which disclosures shall be acknowledged by the governing body of the municipality or  
106 county and entered upon the minutes books of the governing body of the municipality or  
107 county. If an individual holds such an interest, then that individual shall refrain from any  
108 further official involvement in regard to a development project and from voting on any  
109 matter pertaining to such development project or communicating with other  
110 commissioners or the municipality or county concerning any matter pertaining to such  
111 development project. Furthermore, subject to the succeeding sentence, no such member,  
112 commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any

property in a development project area or proposed development project area, after either such individual obtains knowledge of a development project, or first public notice of such development project, or development project area under subsection 2 of section 99.1122, whichever first occurs. At any time after one year from the adoption of an ordinance designating a development project area, any such member, commissioner, employee or consultant may acquire an interest in real estate located in a development project area so long as any such person discloses such acquisition and refrains from voting on any matter related to the development project area in which the property acquired by such person is located.

4. A commission created under section 99.1104 shall have the following powers in addition to others granted under the Missouri economic development code:

(1) To sue and to be sued; to have a seal and to alter the same at the commission's pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the commission; and to make and from time to time amend and repeal bylaws, rules, and regulations, not inconsistent with the Missouri economic development code, to carry out the provisions of the Missouri economic development code;

(2) To delegate to a municipality, county or other public body any of the powers or functions of the commission with respect to the planning or undertaking of a development project, and any such municipality, county, or public body is hereby authorized to carry out or perform such powers or functions for the commission;

(3) To receive and exercise powers delegated by any authority, agency, or agent of a municipality or county created under this chapter or chapter 353, RSMo, excluding powers of eminent domain.

99.1114. Real property which is acquired by a municipality, county or commission in a development project area shall be disposed of as follows:

(1) Within a development project area, the commission may sell, lease, exchange, or otherwise transfer real property, including land, improvements, and fixtures, or any interest therein, to any developer selected for a development project, or any portion thereof, in accordance with the development plan, subject to such covenants, conditions, and restrictions as may be deemed to be in the public interest or to carry out the purposes of the Missouri economic development code. Such real property shall be sold, leased, or transferred at its fair market value for uses in accordance with the development plan; provided that such fair market value may be less than the cost of such property to the municipality, county, or commission. In determining the fair market value of real property for uses in accordance with a development plan, the municipality, county or commission

13 shall take into account and give consideration to the uses and purposes required by the  
14 development plan; the restrictions upon, and the covenants, conditions, and obligations  
15 assumed by the developer of such property; the objectives of the development plan; and  
16 such other matters as the municipality, county or commission shall specify as being  
17 appropriate. In fixing rental and sale prices, a municipality, county, or commission shall  
18 give consideration to appraisals of the property for such uses made by experts employed  
19 by the municipality, county, or commission;

20 (2) The municipality, county, or commission shall, by public notice published in a  
21 newspaper having a general circulation in a development area, prior to selecting one or  
22 more developers for any development project, or any portion thereof, invite proposals  
23 from, and make available all pertinent information to, private developers or any persons  
24 interested in undertaking the development of such development project, or any portion  
25 thereof. Such notice shall be published at least once each week during the two weeks  
26 preceding the selection of a developer, shall identify the area of the development project  
27 or development projects, or any portion thereof, for which one or more developers are to  
28 be selected, and shall state that such further information as it is available may be obtained  
29 at the office of the municipality, county, or commission. The municipality, county, or  
30 commission shall consider all proposals and the financial and legal ability of the  
31 prospective developers to carry out their proposals. The municipality, county, or  
32 commission may negotiate and enter into one or more contracts with any developer selected  
33 for the development of any such area for the development of such area by such developer  
34 in accordance with a development plan or for the sale or lease of any real property to any  
35 such developer in any such area for the purpose of developing such property in accordance  
36 with the development plan. The municipality, county, or commission may enter into any  
37 such contract as it deems to be in the public interest and in furtherance of the purposes of  
38 the Missouri economic development code; provided that the municipality, county, or  
39 commission has, not less than ten days prior thereto, notified the governing body in writing  
40 of its intention to enter into such contract. Thereafter, the municipality, county, or  
41 commission may execute such contract in accordance with the provisions of this section and  
42 deliver deeds, leases, and other instruments and take all steps necessary to effectuate such  
43 contract. In its discretion, the municipality, county, or commission may, in accordance  
44 with the provisions of this section, dispose of any real property in an area selected for a  
45 development project, or any portion thereof, to private developers for development under  
46 such reasonable competitive bidding procedures as it shall prescribe, subject to the  
47 provisions of this section;

48 (3) In carrying out a development project, the commission may:

49           (a) Convey to the municipality or county such real property as, in accordance with  
50 the development plan, is to be dedicated as public right-of-way for streets, sidewalks,  
51 alleys, or other public ways, this power being additional to and not limiting any and all  
52 other powers of conveyance of property to municipalities expressed, generally or otherwise,  
53 in the Missouri economic development code;

54           (b) Grant servitudes, easements, and rights-of-way for public utilities, sewers,  
55 streets, and other similar facilities, in accordance with the development plan; and

56           (c) Convey to the municipality or county or other appropriate public body such real  
57 property as, in accordance with the development plan, is to be used for parks, schools,  
58 public buildings, facilities, or other public purposes;

59           (4) The municipality, county, or commission may operate and maintain real  
60 property in the development area pending the disposition or development of the property  
61 in accordance with a development plan, without regard to the provisions of subdivisions  
62 (1) and (2) of this section, for such uses and purposes as may be deemed desirable even  
63 though not in conformity with the development plan.

          99.1116. 1. A development plan shall set forth in writing a general description of  
2 the program to be undertaken to accomplish the development projects and related  
3 objectives and shall include, but need not be limited to:

4           (1) The name, street and mailing address, and phone number of the mayor or chief  
5 executive officer of the municipality or county;

6           (2) The street address or other description of the location of the development site;

7           (3) The estimated development project costs;

8           (4) The anticipated sources of funds to pay such development project costs;

9           (5) Evidence of the commitments to finance such development project costs;

10          (6) The anticipated type and term of the sources of funds to pay such development  
11 project costs;

12          (7) The anticipated type and terms of the obligations to be issued;

13          (8) The most recent equalized assessed valuation of the property within the  
14 development project area;

15          (9) An estimate as to the equalized assessed valuation after the development project  
16 area is developed in accordance with a development plan;

17          (10) The general land uses to apply in the development area;

18          (11) A list of community and economic benefits to result from the project;

19          (12) A list of all development subsidies that any business benefiting from public  
20 expenditures in the development area has previously received for the project, and the name  
21 of any other granting body from which such subsidies are sought;

(13) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding under the Missouri economic development code is being sought;

(14) A market study for the development area; and

(15) A certification by the chief officer of the applicant as to the accuracy of the development plan.

2. The development plan may be adopted by a municipality or county in reliance on findings that a reasonable person would believe:

(1) The development area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the implementation of one or more development projects and the adoption of development financing;

(2) The estimated dates of the completion of such development project and retirement of obligations incurred to finance development project costs which shall not be more than twenty-five years from the adoption of the ordinance or order approving any development project, provided that no ordinance approving a development project shall be adopted later than fifteen years from the adoption of the ordinance approving the development plan;

(3) A cost-benefit analysis showing the economic impact of the development plan on the municipality, county, and school districts that are at least partially within the boundaries of the development area. The analysis shall show the impact on the economy if the development projects are not built under the development plan under consideration. The cost-benefit analysis shall include a fiscal impact study on each municipality, county and school district which is at least partially within the boundaries of the development area, and sufficient information from the commission to evaluate whether each development project as proposed is financially feasible;

(4) The development plan shall not include the initial development or redevelopment of any gambling establishment; and

(5) An economic feasibility analysis including a pro forma financial statement indicating the return on investment that may be expected without public assistance. The financial statement shall detail any assumptions made, a pro forma statement analysis demonstrating the amount of assistance required to bring the return into a range deemed attractive to private investors, which amount shall not exceed the estimated reimbursable project costs.

99.1118. In the event a municipality or county desires to designate a development area located in whole or in part outside the incorporated boundaries of the municipality

3 or county and within the boundaries of another municipality or county, such municipality  
4 or county shall first obtain the permission of the governing body of such other municipality  
5 or county.

99.1120. 1. Except as provided in subsection 4 of this section, a municipality or  
2 county which has created a commission under section 99.1104 may:

3 (1) Approve by ordinance or order the exercise by the commission of the powers,  
4 functions, and duties of the commission under the Missouri economic development code;  
5 and

6 (2) After adopting an ordinance or order in accordance with subdivision (1) of this  
7 subsection and after receipt of recommendations from the commission in accordance with  
8 subsection 3 of this section, by ordinance or order, designate development areas, adopt the  
9 development plans and development projects, designate a development project area for  
10 each development project adopted, and adopt development financing for each such  
11 development project area. No development plan shall be adopted until the development  
12 area is designated. No development project shall be adopted until the development plan  
13 is adopted and the development project area for each development project shall be  
14 designated at the time of adopting the development project.

15 2. A municipality or county may authorize a commission created under section  
16 99.1104 to exercise all powers and perform all functions of a transportation development  
17 district under sections 238.200 to 238.275, RSMo, within a development area.

18 3. The municipality, county, or commission shall hold public hearings and provide  
19 notice under sections 99.960 and 99.1126. Within ten days following the completion of any  
20 such public hearing, the commission shall vote on and shall make recommendation to the  
21 governing body of the municipality or county with regard to any development plan,  
22 development projects, designation of a development area or amendments thereto which  
23 were proposed at such public hearing.

24 4. The provisions of the Missouri economic development code shall not be used for  
25 any residential development project without the consent of the school boards of all school  
26 districts in which such residential development project is wholly or partially located, if the  
27 taxes that would be due such school districts would be used to finance such residential  
28 development project.

29 5. The powers of eminent domain shall not be used by any municipality, county, or  
30 commission to acquire any property for use in any project under the Missouri economic  
31 development code.

99.1122. 1. Prior to the adoption of the ordinance or order designating a  
2 development area, adopting a development plan, or approving a development project, the

3 municipality, county, or commission shall fix a time and place for a public hearing and  
4 notify each taxing district located wholly or partially within the boundaries of the proposed  
5 development area or development project area affected. Such notice shall comply with the  
6 provisions of subsection 2 of this section. At the public hearing, any interested person or  
7 affected taxing district may file with the municipality, county or commission written  
8 objections to, or comments on, and may be heard orally in respect to, any issues regarding  
9 the plan or issues embodied in the notice. The municipality, county, or commission shall  
10 hear and consider all protests, objections, comments, and other evidence presented at the  
11 hearing. The hearing may be continued to another date without further notice other than  
12 a motion to be entered upon the minutes fixing the time and place of the subsequent  
13 hearing. Prior to the conclusion of the hearing, changes may be made in the development  
14 plan, development project, development area or development project area, provided that  
15 written notice of such changes is available at the public hearing. After the public hearing,  
16 but prior to the adoption of an ordinance or order designating a development area,  
17 adopting a development plan or approving a development project, changes may be made  
18 to any such proposed development plan, development project, development area, or  
19 development project area without a further hearing, if such changes do not enlarge the  
20 exterior boundaries of the development area, and do not substantially affect the general  
21 land uses established in a development plan or development project, provided that notice  
22 of such changes shall be given by mail to each affected taxing district and by publication  
23 in a newspaper of general circulation in the development area or development project area,  
24 as applicable, not less than ten days prior to the adoption of the changes by ordinance or  
25 order. After the adoption of an ordinance or order designating the development area  
26 adopting a development plan, approving a development project, or designating a  
27 development project area, no ordinance shall be adopted altering the exterior boundaries  
28 of the development area or a development project area affecting the general land uses  
29 established under the development plan or the general nature of a development project  
30 without holding a public hearing in accordance with this section. One public hearing may  
31 be held for the simultaneous consideration of a development area, development plan,  
32 development project, or development project area.

33       2. Notice of the public hearing required by this section shall be given by publication  
34 and mailing. Notice by publication shall be given by publication at least twice, the first  
35 publication to be not more than thirty days and the second publication to be not more than  
36 ten days prior to the hearing, in a newspaper of general circulation in the proposed  
37 development area or development project area, as applicable. Notice by mailing shall be  
38 given by depositing such notice in the United States mail by certified mail addressed to the

39 person or persons in whose name the general taxes for the last preceding year were paid  
40 on each lot, block, tract, or parcel of land lying within the proposed development area or  
41 development project area, as applicable, which is to be subjected to the payment or  
42 payments in lieu of taxes and economic activity taxes under section 99.1126. Such notice  
43 shall be mailed not less than ten working days prior to the date set for the public hearing.  
44 In the event taxes for the last preceding year were not paid, the notice shall also be sent to  
45 the persons last listed on the tax rolls within the preceding three years as the owners of  
46 such property.

47 3. The notices issued under this section shall include the following:

48 (1) The time and place of the public hearing;

49 (2) The general boundaries of the proposed development area or development  
50 project area, as applicable, by street location, where possible;

51 (3) A statement that all interested persons shall be given an opportunity to be heard  
52 at the public hearing;

53 (4) A description of the development plan and the proposed development projects  
54 and a location and time where the entire development plan or development projects  
55 proposed may be reviewed by any interested party;

56 (5) A statement that development financing involving tax revenues and payments  
57 in lieu of taxes is being sought for the project and an estimate of the amount of local  
58 development financing that will be requested, if applicable; and

59 (6) Such other matters as the municipality, county, or commission may deem  
60 appropriate.

61 4. Not less than forty-five days prior to the date set for the public hearing, the  
62 municipality, county, or commission shall give notice by mail as provided in subsection 2  
63 of this section to all taxing districts with jurisdiction over taxable property in the  
64 development area or development project area, as applicable, and in addition to the other  
65 requirements under subsection 3 of this section, the notice shall include an invitation to  
66 each taxing district to submit comments to the municipality, county or commission  
67 concerning the subject matter of the hearing prior to the date of the hearing.

99.1124. 1. For the purpose of financing development project costs, obligations may  
2 be issued by the municipality or county, or, at the request of the municipality or county,  
3 by the commission or any other political subdivision authorized to issue bonds to pay or  
4 reimburse development project costs. Such obligations, when so issued, shall be retired in  
5 the manner provided in the ordinance, order or resolution authorizing the issuance of such  
6 obligations.



7           **2. Obligations issued under the Missouri economic development code may be issued**  
8 **in one or more series bearing interest at such rate or rates as the issuing entity shall**  
9 **determine by ordinance, order or resolution. Such obligations shall bear such date or**  
10 **dates, be in such denomination, carry such registration privileges, be executed in such**  
11 **manner, be payable in such medium of payment at such place or places, contain such**  
12 **covenants, terms, and conditions, and be subject to redemption as such ordinance, order**  
13 **or resolution shall provide. Obligations issued under the Missouri economic development**  
14 **code shall be sold at public or private sale at such price as shall be determined by the**  
15 **issuing entity and shall state that obligations issued under the Missouri economic**  
16 **development code are special obligations payable solely from the funds specifically pledged.**  
17 **No referendum approval of the electors shall be required as a condition to the issuance of**  
18 **obligations under the Missouri economic development code.**

19           **3. In the event the obligations contain a recital that they are issued under the**  
20 **Missouri economic development code, such recital shall be conclusive evidence of their**  
21 **validity and of the regularity of their issuance.**

22           **4. Neither the municipality, county, commission, or any other entity issuing such**  
23 **obligations, or the members, commissioners, directors, or the officers of any such entities**  
24 **nor any person executing any obligation shall be personally liable for such obligation by**  
25 **reason of the issuance thereof. The obligations issued under the Missouri economic**  
26 **development code shall not be a general obligation of the municipality, county, or any**  
27 **political subdivision thereof, nor in any event shall such obligation be payable out of any**  
28 **funds or properties other than those specifically pledged as security for such obligations.**  
29 **The obligations shall not constitute indebtedness within the meaning of any constitutional,**  
30 **statutory, or charter debt limitation or restriction.**

31           **5. Obligations issued under the Missouri economic development code may be issued**  
32 **to refund, in whole or in part, obligations theretofore issued by such entity under the**  
33 **authority of the Missouri economic development code, whether at or prior to maturity;**  
34 **provided, however, the last maturity of the refunding obligations shall not be expressed to**  
35 **mature later than the last maturity date of the obligations to be refunded.**

36           **6. In the event a municipality, county or commission issues obligations under home**  
37 **rule powers or other legislative authority, the proceeds of which are pledged to pay for**  
38 **development project costs, the municipality, county, or commission may retire such**  
39 **obligations from funds in the special allocation fund in amounts and in such manner as if**  
40 **such obligations had been issued under the provisions of the Missouri economic**  
41 **development code.**

**99.1126. 1. A municipality or county, after designating a development area, adopting a development plan, and adopting any development project in conformance with the procedures of the Missouri economic development code, may adopt development financing for the development project area selected for any such development project by passing an ordinance or order. Upon the adoption of the first of any such ordinances, the municipality or county shall establish, or shall direct the commission to establish, a special allocation fund for the development area.**

**2. Immediately upon the adoption of a resolution, ordinance, or order adopting development financing for a development project area under subsection 1 of this section, the county assessor shall determine the total equalized assessed value of all taxable real property within such development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such development project area as of the date of the adoption of such resolution, ordinance, or order and shall provide to the clerk of the municipality or county written certification of such amount as the total initial equalized assessed value of the taxable real property within such development project area.**

**3. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area under subsection 1 of this section unless and until development financing for such development project area is terminated by ordinance or order of the municipality or county, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such development project area by taxing districts at the tax rates determined in the manner provided in section 99.1130 shall be divided as follows:**

**(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block, tract, or parcel of real property in such development project area which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid by the collecting authority to the respective affected taxing districts in the manner required by law in the absence of the adoption of development financing;**

**(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the development project area and any applicable penalty and interest over and above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall**

37 be paid to the collecting officer of the municipality or county who shall deposit such  
38 payment in lieu of taxes into a separate segregated account for payments in lieu of taxes  
39 within the special fund. Payments in lieu of taxes which are due and owing shall constitute  
40 a lien against the real property from which such payments in lieu of taxes are derived and  
41 shall be collected in the same manner as real property taxes, including the assessment of  
42 penalties and interest where applicable. The lien of payments in lieu of taxes may be  
43 foreclosed in the same manner as the lien of real property taxes. No part of the current  
44 equalized assessed valuation of each taxable lot, block, tract, or parcel of property in any  
45 such development project area attributable to any increase above the initial equalized  
46 assessed value of each such taxable lot, block, tract, or parcel of real property in such  
47 development project area as certified by the county assessor in accordance with subsection  
48 2 of this section shall be used in calculating the general state school aid formula provided  
49 for in section 163.031, RSMo, until development financing for such development project  
50 area expires or is terminated in accordance with the Missouri economic development code;

51 (3) For purposes of this section, levies upon taxable real property in such  
52 development area by taxing districts shall not include the blind pension fund tax levied  
53 under the authority of section 38(b), article III, of the Missouri Constitution, the  
54 merchants' and manufacturers' inventory replacement tax levied under the authority of  
55 subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax,  
56 or the conservation taxes.

57 4. In each of the twenty-five calendar years following the adoption of an ordinance  
58 order or resolution adopting development financing for a development project area under  
59 subsection 1 of this section unless and until development financing for such development  
60 project area is terminated in accordance with the Missouri economic development code,  
61 fifty percent of the economic activity taxes from such development project area shall be  
62 allocated to, and paid by the collecting officer of any such economic activity tax to the  
63 treasurer or other designated financial officer of the municipality or county, who shall  
64 deposit such funds in a separate segregated account for economic activity taxes within the  
65 special allocation fund. Provided however, in any county, the governing body of the county  
66 may, by resolution, exclude any portion of any countywide sales tax of such county.

99.1128. 1. When all development project costs and all obligations issued to finance  
2 development project costs have been paid in full, the municipality or county shall adopt an  
3 ordinance terminating development financing for all development project areas.  
4 Immediately upon the adoption of such ordinance, all payments in lieu of taxes, all  
5 economic activity taxes, and other net new revenues then remaining in the special  
6 allocation fund shall be deemed to be surplus funds, and thereafter, the rates of the taxing

7 districts shall be extended and taxes levied, collected, and distributed in the manner  
8 applicable in the absence of the adoption of development financing. Surplus payments in  
9 lieu of taxes shall be paid to the county collector who shall immediately thereafter pay such  
10 funds to the taxing districts in the development area selected in the same manner and  
11 proportion as the most recent distribution by the collector to the affected taxing districts  
12 of real property taxes from real property in the development area. Surplus economic  
13 activity taxes shall be paid to the taxing districts in the development area in proportion to  
14 the then current levy rates of such taxing districts that are attributable to economic activity  
15 taxes. Any other funds remaining in the special allocation fund following the adoption of  
16 an ordinance terminating development financing in accordance with this section shall be  
17 deposited to the general fund of the municipality or county that originally approved the  
18 development project.

19       2. Upon the payment of all development project costs, retirement of obligations, and  
20 the distribution of any surplus funds under this section, the municipality or county shall  
21 adopt an ordinance or order dissolving the special allocation fund and terminating the  
22 designation of the development area as a development area.

23       3. Nothing in the Missouri economic development code shall be construed as  
24 relieving property in such areas from paying a uniform rate of taxes, as required by section  
25 3, article X of the Missouri Constitution.

99.1130. 1. In each of the twenty-five calendar years following the adoption of an  
2 ordinance adopting development financing for a development project area, unless and until  
3 development financing for such development project area is terminated by ordinance of  
4 the municipality or county, then, in respect to every taxing district containing such  
5 development project area, the county clerk, or any other official required by law to  
6 ascertain the amount of the equalized assessed value of all taxable property within such  
7 development project area for the purpose of computing any debt service levies to be  
8 extended upon taxable property within such development project area, shall in every year  
9 that development financing is in effect ascertain the amount of value of taxable property  
10 in such development project area by including in such amount the certified total initial  
11 equalized assessed value of all taxable real property in such development project area in  
12 lieu of the equalized assessed value of all taxable real property in such development project  
13 area. For the purpose of measuring the size of payments in lieu of taxes under sections  
14 99.915 to 99.980, all tax levies shall then be extended to the current equalized assessed  
15 value of all property in the development project area in the same manner as the tax rate  
16 percentage is extended to all other taxable property in the taxing district. An annual  
17 statement showing the payments made in lieu of taxes received and expended in that year,

18 the status of the development area, the development plan, the development projects in the  
19 development plan, the amount of outstanding obligations, and any additional information  
20 that the municipality or county deems necessary shall be published in a newspaper of  
21 general circulation in the municipality or county.

22       2. Five years after the establishment of the development area and the development  
23 plan and every five years thereafter the governing body of the municipality, county, or  
24 commission shall hold a public hearing regarding the development area and the  
25 development plan and the development projects adopted under the Missouri economic  
26 development code. The purpose of the hearing shall be to determine if the development  
27 area, development plan, and the included development projects are making satisfactory  
28 progress under the proposed time schedule contained within the approved development  
29 plan for completion of such development projects. Notice of such public hearing shall be  
30 given in a newspaper of general circulation in the area served by the municipality, county,  
31 or commission once each week for four weeks immediately prior to the hearing.

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