

FIRST REGULAR SESSION

HOUSE BILL NO. 1116

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FLOOK.

Read 1st time March 13, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

2656L.01I

AN ACT

To repeal section 99.805, RSMo, and to enact in lieu thereof one new section relating to tax increment financing definitions.

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

Section A. Section 99.805, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 99.805, to read as follows:

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) **"Developer", any person that has been selected by a municipality to undertake a redevelopment project, or any portion thereof. If no such person has been selected before adoption of a redevelopment plan, the authorized officials of the municipality may, pending the selection of a developer, execute the affidavit required to be attached to the**

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.

16 redevelopment plan under section 99.810, may provide such information as is necessary
17 to show that the proposed redevelopment project is financially feasible, and may take such
18 actions and provide such documents and information as would be required or permitted
19 to be taken or provided by such developer. If a municipality supplies any documents,
20 affidavits, or information required under sections 99.800 to 99.865 as a part of or in
21 connection with the adoption of a redevelopment plan, such municipality shall not be
22 considered the named developer on a project if the redevelopment plan contains a
23 statement that the municipality will select one or more developers to implement the
24 redevelopment plan and any projects described in such plan;

25 (4) "Conservation area", any improved area within the boundaries of a redevelopment
26 area located within the territorial limits of a municipality in which fifty percent or more of the
27 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted
28 area but is detrimental to the public health, safety, morals, or welfare and may become a blighted
29 area because of any one or more of the following factors: dilapidation; obsolescence;
30 deterioration; illegal use of individual structures; presence of structures below minimum code
31 standards; abandonment; excessive vacancies; overcrowding of structures and community
32 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
33 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
34 community planning. A conservation area shall meet at least three of the factors provided in this
35 subdivision for projects approved on or after December 23, 1997;

36 [(4)] (5) "Economic activity taxes", the total additional revenue from taxes which are
37 imposed by a municipality and other taxing districts, and which are generated by economic
38 activities within a redevelopment area over the amount of such taxes generated by economic
39 activities within such redevelopment area in the calendar year prior to the adoption of the
40 ordinance designating such a redevelopment area, while tax increment financing remains in
41 effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping
42 rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For
43 redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail
44 establishment relocates within one year from one facility to another facility within the same
45 county and the governing body of the municipality finds that the relocation is a direct beneficiary
46 of tax increment financing, then for purposes of this definition, the economic activity taxes
47 generated by the retail establishment shall equal the total additional revenues from economic
48 activity taxes which are imposed by a municipality or other taxing district over the amount of
49 economic activity taxes generated by the retail establishment in the calendar year prior to its
50 relocation to the redevelopment area;

51 [(5)] (6) "Economic development area", any area or portion of an area located within the
52 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and
53 (3) of this section, and in which the governing body of the municipality finds that redevelopment
54 will not be solely used for development of commercial businesses which unfairly compete in the
55 local economy and is in the public interest because it will:

56 (a) Discourage commerce, industry or manufacturing from moving their operations to
57 another state; or

58 (b) Result in increased employment in the municipality; or

59 (c) Result in preservation or enhancement of the tax base of the municipality;

60 [(6)] (7) "Gambling establishment", an excursion gambling boat as defined in section
61 313.800, RSMo, and any related business facility including any real property improvements
62 which are directly and solely related to such business facility, whose sole purpose is to provide
63 goods or services to an excursion gambling boat and whose majority ownership interest is held
64 by a person licensed to conduct gambling games on an excursion gambling boat or licensed to
65 operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This
66 subdivision shall be applicable only to a redevelopment area designated by ordinance adopted
67 after December 23, 1997;

68 [(7)] (8) "Municipality", a city, village, or incorporated town or any county of this state.
69 For redevelopment areas or projects approved on or after December 23, 1997, "municipality"
70 applies only to cities, villages, incorporated towns or counties established for at least one year
71 prior to such date;

72 [(8)] (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other
73 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to
74 refund outstanding obligations;

75 [(9)] (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or
76 village or a county or an order of the governing body of a county whose governing body is not
77 authorized to enact ordinances;

78 [(10)] (11) "Payment in lieu of taxes", those estimated revenues from real property in the
79 area selected for a redevelopment project, which revenues according to the redevelopment
80 project or plan are to be used for a private use, which taxing districts would have received had
81 a municipality not adopted tax increment allocation financing, and which would result from
82 levies made after the time of the adoption of tax increment allocation financing during the time
83 the current equalized value of real property in the area selected for the redevelopment project
84 exceeds the total initial equalized value of real property in such area until the designation is
85 terminated pursuant to subsection 2 of section 99.850;

86 [(11)] **(12)** "Redevelopment area", an area designated by a municipality, in respect to
87 which the municipality has made a finding that there exist conditions which cause the area to be
88 classified as a blighted area, a conservation area, an economic development area, an enterprise
89 zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area
90 includes only those parcels of real property directly and substantially benefited by the proposed
91 redevelopment project;

92 [(12)] **(13)** "Redevelopment plan", the comprehensive program of a municipality for
93 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
94 conditions, the existence of which qualified the redevelopment area as a blighted area,
95 conservation area, economic development area, or combination thereof, and to thereby enhance
96 the tax bases of the taxing districts which extend into the redevelopment area. Each
97 redevelopment plan shall conform to the requirements of section 99.810;

98 [(13)] **(14)** "Redevelopment project", any development project within a redevelopment
99 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project
100 shall include a legal description of the area selected for the redevelopment project;

101 [(14)] **(15)** "Redevelopment project costs" include the sum total of all reasonable or
102 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
103 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not
104 limited to, the following:

105 (a) Costs of studies, surveys, plans, and specifications;

106 (b) Professional service costs, including, but not limited to, architectural, engineering,
107 legal, marketing, financial, planning or special services. Except the reasonable costs incurred
108 by the commission established in section 99.820 for the administration of sections 99.800 to
109 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
110 included in the costs of a redevelopment plan or project;

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

114 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings
115 and fixtures;

116 (e) Initial costs for an economic development area;

117 (f) Costs of construction of public works or improvements;

118 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
119 related to the issuance of obligations, and which may include payment of interest on any
120 obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period

121 of construction of any redevelopment project for which such obligations are issued and for not
122 more than eighteen months thereafter, and including reasonable reserves related thereto;

123 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
124 project necessarily incurred or to be incurred in furtherance of the objectives of the
125 redevelopment plan and project, to the extent the municipality by written agreement accepts and
126 approves such costs;

127 (i) Relocation costs to the extent that a municipality determines that relocation costs shall
128 be paid or are required to be paid by federal or state law;

129 (j) Payments in lieu of taxes;

130 [(15)] **(16)** "Special allocation fund", the fund of a municipality or its commission which
131 contains at least two separate segregated accounts for each redevelopment plan, maintained by
132 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
133 of taxes are deposited in one account, and economic activity taxes and other revenues are
134 deposited in the other account;

135 [(16)] **(17)** "Taxing districts", any political subdivision of this state having the power to
136 levy taxes;

137 [(17)] **(18)** "Taxing districts' capital costs", those costs of taxing districts for capital
138 improvements that are found by the municipal governing bodies to be necessary and to directly
139 result from the redevelopment project; and

140 [(18)] **(19)** "Vacant land", any parcel or combination of parcels of real property not used
141 for industrial, commercial, or residential buildings.

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