

SECOND REGULAR SESSION

# HOUSE BILL NO. 2395

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES VILLA (Sponsor), DAUS, NASHEED,  
OXFORD AND HUBBARD (Co-sponsors).

Read 1st time March 10, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5472L.01I

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### AN ACT

To repeal section 99.1042, RSMo, and to enact in lieu thereof one new section relating to economic activity taxes.

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

Section A. Section 99.1042, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 99.1042, to read as follows:

99.1042. 1. A municipality, after designating a development area, adopting a development plan, and adopting any development project in conformance with the procedures of sections 99.1000 to 99.1060, may adopt development financing for the development project area selected for any such development project by passing an ordinance. Upon the adoption of the first of any such ordinances, the municipality shall establish, or shall direct the authority to establish, a special allocation fund for the development area.

2. Immediately upon the adoption of a resolution or ordinance adopting development financing for a development project area pursuant to 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 or ordinance and shall provide to the clerk of the municipality written certification of such amount as the total initial equalized assessed value of the taxable real property within such development project area.

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.

15           3. In each of the twenty-five calendar years following the adoption of an ordinance  
16 adopting development financing for a development project area pursuant to subsection 1 of this  
17 section unless and until development financing for such development project area is terminated  
18 by ordinance of the municipality, the ad valorem taxes, and payments in lieu of taxes, if any,  
19 arising from the levies upon taxable real property in such development project area by taxing  
20 districts at the tax rates determined in the manner provided in section 99.1054 shall be divided  
21 as follows:

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

29           (2) Payments in lieu of taxes attributable to the increase in the current equalized assessed  
30 valuation of each taxable lot, block, tract, or parcel of real property in the development project  
31 area and any applicable penalty and interest over and above the initial equalized assessed value  
32 of each such taxable lot, block, tract, or parcel of real property in such development project area  
33 as certified by the county assessor in accordance with subsection 2 of this section shall be  
34 allocated to and, when collected, shall be paid to the collecting officer of the municipality who  
35 shall deposit such payment in lieu of taxes into a separate segregated account for payments in  
36 lieu of taxes within the special fund. Payments in lieu of taxes which are due and owing shall  
37 constitute a lien against the real property from which such payments in lieu of taxes are derived  
38 and shall be collected in the same manner as real property taxes, including the assessment of  
39 penalties and interest where applicable. The lien of payments in lieu of taxes may be foreclosed  
40 in the same manner as the lien of real property taxes. No part of the current equalized assessed  
41 valuation of each taxable lot, block, tract, or parcel of property in any such development project  
42 area attributable to any increase above the initial equalized assessed value of each such taxable  
43 lot, block, tract, or parcel of real property in such development project area as certified by the  
44 county assessor in accordance with subsection 2 of this section shall be used in calculating the  
45 general state school aid formula provided for in section 163.031, RSMo, until development  
46 financing for such development project area expires or is terminated in accordance with sections  
47 99.1000 to 99.1060;

48           (3) For purposes of this section, "levies upon taxable real property in such development  
49 area by taxing districts" shall not include the blind pension fund tax levied under the authority  
50 of section 38(b), article III, of the Missouri Constitution, the merchants' and manufacturers'

51 inventory replacement tax levied under the authority of subsection 2 of section 6, article X of the  
52 Missouri Constitution, the desegregation sales tax, [or] the conservation taxes, **or in any city not**  
53 **within a county, any sales tax for the operation of public safety departments under section**  
54 **92.500, RSMo, and any sales tax for funding local parks under sections 644.032 and**  
55 **644.033, RSMo, for any new transaction approved under sections 99.800 to 99.865.**

56 4. In each of the twenty-five calendar years following the adoption of an ordinance or  
57 resolution adopting development financing for a development project area pursuant to subsection  
58 1 of this section unless and until development financing for such development project area is  
59 terminated in accordance with sections 99.1000 to 99.1060, fifty percent of the economic activity  
60 taxes from such development project area shall be allocated to, and paid by the collecting officer  
61 of any such economic activity tax to, the treasurer or other designated financial officer of the  
62 municipality, who shall deposit such funds in a separate segregated account for economic activity  
63 taxes within the special allocation fund.

64 5. In no event shall a municipality collect and deposit economic activity taxes in the  
65 special allocation fund unless the developing project has been approved for state supplemental  
66 rural development financing pursuant to section 99.1045.

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