

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Bill No. 2, Page 11, Section 32.460, Line 7, by inserting after all of said line the following:

“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) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land

1 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
2 community planning. A conservation area shall meet at least three of the factors provided in this
3 subdivision for projects approved on or after December 23, 1997;

4 (4) "Disaster area", a blighted area located within a municipality for which public and
5 individual assistance has been requested by the governor under Section 401 of the Robert T.
6 Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. Section 5121, et seq., for an
7 emergency proclaimed by the governor under section 44.100 due to a natural disaster of major
8 proportions and the blighted area has sustained severe damage as a result of such natural disaster,
9 as determined by the state emergency management agency, provided that the municipality adopts
10 an ordinance approving the redevelopment project within one year after the occurrence of the
11 natural disaster;

12 (5) "Economic activity taxes", the total additional revenue from taxes which are imposed
13 by a municipality and other taxing districts, and which are generated by economic activities within
14 a redevelopment area over the amount of such taxes generated by economic activities within such
15 redevelopment area in the calendar year prior to the adoption of the ordinance designating such a
16 redevelopment area, while tax increment financing remains in effect, but excluding personal
17 property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of
18 hotels and motels, licenses, fees or special assessments. For redevelopment projects or
19 redevelopment plans approved after December 23, 1997, if a retail establishment relocates within
20 one year from one facility to another facility within the same county and the governing body of the
21 municipality finds that the relocation is a direct beneficiary of tax increment financing, then for
22 purposes of this definition, the economic activity taxes generated by the retail establishment shall
23 equal the total additional revenues from economic activity taxes which are imposed by a
24 municipality or other taxing district over the amount of economic activity taxes generated by the
25 retail establishment in the calendar year prior to its relocation to the redevelopment area;

26 [(5)] (6) "Economic development area", any area or portion of an area located within the

territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

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

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

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

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

~~[(7)]~~ (8) "Greenfield area", any vacant, unimproved, or agricultural property that is located wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded by contiguous properties with agricultural zoning classifications or uses unless said property was annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the ordinance approving the redevelopment plan for such greenfield area;

~~[(8)]~~ (9) "Municipality", a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;

~~[(9)]~~ (10) "Obligations", bonds, loans, debentures, notes, special certificates, or other

1 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to
2 refund outstanding obligations;

3 [(10)] (11) "Ordinance", an ordinance enacted by the governing body of a city, town, or
4 village or a county or an order of the governing body of a county whose governing body is not
5 authorized to enact ordinances;

6 [(11)] (12) "Payment in lieu of taxes", those estimated revenues from real property in the
7 area selected for a redevelopment project, which revenues according to the redevelopment project
8 or plan are to be used for a private use, which taxing districts would have received had a
9 municipality not adopted tax increment allocation financing, and which would result from levies
10 made after the time of the adoption of tax increment allocation financing during the time the
11 current equalized value of real property in the area selected for the redevelopment project exceeds
12 the total initial equalized value of real property in such area until the designation is terminated
13 pursuant to subsection 2 of section 99.850;

14 [(12)] (13) "Redevelopment area", an area designated by a municipality, in respect to
15 which the municipality has made a finding that there exist conditions which cause the area to be
16 classified as a blighted area, a conservation area, an economic development area, an enterprise
17 zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only
18 those parcels of real property directly and substantially benefitted by the proposed redevelopment
19 project;

20 [(13)] (14) "Redevelopment plan", the comprehensive program of a municipality for
21 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
22 conditions, the existence of which qualified the redevelopment area as a blighted area,
23 conservation area, economic development area, or combination thereof, and to thereby enhance
24 the tax bases of the taxing districts which extend into the redevelopment area. Each
25 redevelopment plan shall conform to the requirements of section 99.810;

26 [(14)] (15) "Redevelopment project", any development project within a redevelopment

1 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project
2 shall include a legal description of the area selected for the redevelopment project;

3 [(15)] (16) "Redevelopment project costs" include the sum total of all reasonable or
4 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
5 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not
6 limited to, the following:

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

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

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

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

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

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

20 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
21 related to the issuance of obligations, and which may include payment of interest on any
22 obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of
23 construction of any redevelopment project for which such obligations are issued and for not more
24 than eighteen months thereafter, and including reasonable reserves related thereto;

25 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
26 project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment

1 plan and project, to the extent the municipality by written agreement accepts and approves such
2 costs;

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

5 (j) Payments in lieu of taxes;

6 [(16)] (17) "Special allocation fund", the fund of a municipality or its commission which
7 contains at least two separate segregated accounts for each redevelopment plan, maintained by the
8 treasurer of the municipality or the treasurer of the commission into which payments in lieu of
9 taxes are deposited in one account, and economic activity taxes and other revenues are deposited
10 in the other account;

11 [(17)] (18) "Taxing districts", any political subdivision of this state having the power to
12 levy taxes;

13 [(18)] (19) "Taxing districts' capital costs", those costs of taxing districts for capital
14 improvements that are found by the municipal governing bodies to be necessary and to directly
15 result from the redevelopment project; and

16 [(19)] (20) "Vacant land", any parcel or combination of parcels of real property not used
17 for industrial, commercial, or residential buildings.

18 99.810. 1. Each redevelopment plan shall set forth in writing a general description of the
19 program to be undertaken to accomplish the objectives and shall include, but need not be limited
20 to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs,
21 evidence of the commitments to finance the project costs, the anticipated type and term of the
22 sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the
23 most recent equalized assessed valuation of the property within the redevelopment area which is
24 to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section
25 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general
26 land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a

municipality without findings that:

(1) The redevelopment area on the whole is:

(a) A blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met; or

(b) Predominantly within a disaster area;

(2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;

(4) A plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the

commission established in section 99.820 to evaluate whether the project as proposed is financially feasible; provided that, in the case of a disaster area, such information regarding financial feasibility may be provided by the municipality;

(6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December 23, 1997.

2. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

99.835. 1. Obligations secured by the special allocation fund set forth in sections 99.845 and 99.850 for the redevelopment area or redevelopment project may be issued by the municipality pursuant to section 99.820 or by the tax increment financing commission to provide for redevelopment costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of payments in lieu of taxes as specified in section 99.855 and, subject to annual appropriation, other tax revenue as specified in section 99.845. A municipality may, in the ordinance or resolution, pledge all or any part of the funds in and to be deposited in the special allocation fund created pursuant to sections 99.845 and 99.850 to the payment of the redevelopment costs and obligations. Any pledge of funds in the special allocation fund may provide for distribution to the taxing districts of moneys not required for payment of redevelopment costs or obligations and such excess funds shall be deemed to be surplus funds, except that any moneys allocated to the special allocation fund as provided in subsection 4 or 13 of section 99.845, and which are not required for payment of redevelopment costs and obligations, shall not be distributed to the taxing

1 districts but shall be returned to the department of economic development for credit to the general
2 revenue fund. In the event a municipality only pledges a portion of the funds in the special
3 allocation fund for the payment of redevelopment costs or obligations, any such funds remaining
4 in the special allocation fund after complying with the requirements of the pledge, including the
5 retention of funds for the payment of future redevelopment costs, if so required, shall also be
6 deemed surplus funds. All surplus funds shall be distributed annually to the taxing districts in the
7 redevelopment area by being paid by the municipal treasurer to the county collector who shall
8 immediately thereafter make distribution as provided in subdivision (12) of section 99.820.

9 2. Without limiting the provisions of subsection 1 of this section, the municipality may, in
10 addition to obligations secured by the special allocation fund, pledge any part or any combination
11 of net new revenues of any redevelopment project, or a mortgage on part or all of the
12 redevelopment project to secure its obligations or other redevelopment costs.

13 3. Obligations issued pursuant to sections 99.800 to 99.865 may be issued in one or more
14 series bearing interest at such rate or rates as the issuing body of the municipality shall determine
15 by ordinance or resolution. Such obligations shall bear such date or dates, mature at such time or
16 times not exceeding twenty-three years from their respective dates, when secured by the special
17 allocation fund, be in such denomination, carry such registration privileges, be executed in such
18 manner, be payable in such medium of payment at such place or places, contain such covenants,
19 terms and conditions, and be subject to redemption as such ordinance or resolution shall provide.
20 Obligations issued pursuant to sections 99.800 to 99.865 may be sold at public or private sale at
21 such price as shall be determined by the issuing body and shall state that obligations issued
22 pursuant to sections 99.800 to 99.865 are special obligations payable solely from the special
23 allocation fund or other funds specifically pledged. No referendum approval of the electors shall
24 be required as a condition to the issuance of obligations pursuant to sections 99.800 to 99.865.

25 4. The ordinance authorizing the issuance of obligations may provide that the obligations
26 shall contain a recital that they are issued pursuant to sections 99.800 to 99.865, which recital

1 shall be conclusive evidence of their validity and of the regularity of their issuance.

2 5. Neither the municipality, its duly authorized commission, the commissioners or the
3 officers of a municipality nor any person executing any obligation shall be personally liable for
4 such obligation by reason of the issuance thereof. The obligations issued pursuant to sections
5 99.800 to 99.865 shall not be a general obligation of the municipality, county, state of Missouri, or
6 any political subdivision thereof, nor in any event shall such obligation be payable out of any
7 funds or properties other than those specifically pledged as security therefor. The obligations
8 shall not constitute indebtedness within the meaning of any constitutional, statutory or charter
9 debt limitation or restriction.

10 99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
11 the event a municipality has undertaken acts establishing a redevelopment plan and
12 redevelopment project and has designated a redevelopment area after the passage and approval of
13 sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the
14 procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing
15 an ordinance providing that after the total equalized assessed valuation of the taxable real property
16 in a redevelopment project exceeds the certified total initial equalized assessed valuation of the
17 taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of
18 taxes, if any, arising from the levies upon taxable real property in such redevelopment project by
19 taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855
20 each year after the effective date of the ordinance until redevelopment costs have been paid shall
21 be divided as follows:

22 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
23 or parcel of real property which is attributable to the initial equalized assessed value of each such
24 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
25 project shall be allocated to and, when collected, shall be paid by the county collector to the
26 respective affected taxing districts in the manner required by law in the absence of the adoption of

1 tax increment allocation financing;

2 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
3 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected
4 for the redevelopment project and any applicable penalty and interest over and above the initial
5 equalized assessed value of each such unit of property in the area selected for the redevelopment
6 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall
7 deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of
8 the municipality for the purpose of paying redevelopment costs and obligations incurred in the
9 payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against
10 the real estate of the redevelopment project from which they are derived and shall be collected in
11 the same manner as the real property tax, including the assessment of penalties and interest where
12 applicable. The municipality may, in the ordinance, pledge the funds in the special allocation
13 fund for the payment of such costs and obligations and provide for the collection of payments in
14 lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien
15 as provided in section 88.861. No part of the current equalized assessed valuation of each lot,
16 block, tract, or parcel of property in the area selected for the redevelopment project attributable to
17 any increase above the total initial equalized assessed value of such properties shall be used in
18 calculating the general state school aid formula provided for in section 163.031 until such time as
19 all redevelopment costs have been paid as provided for in this section and section 99.850;

20 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
21 determining the limitation on indebtedness of local government pursuant to article VI, section
22 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area
23 selected for redevelopment attributable to the increase above the total initial equalized assessed
24 valuation shall be included in the value of taxable tangible property as shown on the last
25 completed assessment for state or county purposes;

26 (c) The county assessor shall include the current assessed value of all property within the

1 taxing district in the aggregate valuation of assessed property entered upon the assessor's book and
2 verified pursuant to section 137.245, and such value shall be utilized for the purpose of the debt
3 limitation on local government pursuant to article VI, section 26(b) of the Missouri Constitution;

4 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
5 project by taxing districts" shall not include the blind pension fund tax levied under the authority
6 of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
7 inventory replacement tax levied under the authority of subsection 2 of section 6 of article X of
8 the Missouri Constitution, except in redevelopment project areas in which tax increment financing
9 has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the
10 municipality taken after August 13, 1982, and before January 1, 1998.

11 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1
12 of this section, for redevelopment plans and projects adopted or redevelopment projects approved
13 by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional
14 revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts,
15 which are generated by economic activities within the area of the redevelopment project over the
16 amount of such taxes generated by economic activities within the area of the redevelopment
17 project in the calendar year prior to the adoption of the redevelopment project by ordinance, while
18 tax increment financing remains in effect, but excluding taxes imposed on sales or charges for
19 sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section
20 70.500, licenses, fees or special assessments other than payments in lieu of taxes and any penalty
21 and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, for the
22 purpose of public transportation, shall be allocated to, and paid by the local political subdivision
23 collecting officer to the treasurer or other designated financial officer of the municipality, who
24 shall deposit such funds in a separate segregated account within the special allocation fund. Any
25 provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a
26 municipality and any other political subdivision which provides for an appropriation of other

1 municipal revenues to the special allocation fund shall be and remain enforceable.

2 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1
3 of this section, for redevelopment plans and projects adopted or redevelopment projects approved
4 by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes,
5 penalties and interest which are imposed by the municipality or other taxing districts, and which
6 are generated by economic activities within the area of the redevelopment project over the amount
7 of such taxes generated by economic activities within the area of the redevelopment project in the
8 calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment
9 financing remains in effect, but excluding personal property taxes, taxes imposed on sales or
10 charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to
11 section 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660,
12 licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest
13 thereon, or any sales tax imposed by a county with a charter form of government and with more
14 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of
15 sports stadium improvement, shall be allocated to, and paid by the local political subdivision
16 collecting officer to the treasurer or other designated financial officer of the municipality, who
17 shall deposit such funds in a separate segregated account within the special allocation fund.

18 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
19 redevelopment projects approved by ordinance and which have complied with subsections 4 to 12
20 of this section, in addition to the payments in lieu of taxes and economic activity taxes described
21 in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in
22 subsection 8 of this section, estimated for the businesses within the project area and identified by
23 the municipality in the application required by subsection 10 of this section, over and above the
24 amount of such taxes reported by businesses within the project area as identified by the
25 municipality in their application prior to the approval of the redevelopment project by ordinance,
26 while tax increment financing remains in effect, may be available for appropriation by the general

assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues

received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221 at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in

1 excess of one hundred fifty thousand and containing a portion of a city with a population
2 according to the most recent federal decennial census in excess of three hundred fifty thousand.

3 10. The initial appropriation of up to fifty percent of the new state revenues authorized
4 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the
5 department of economic development to a municipality until all of the following conditions have
6 been satisfied:

7 (1) The director of the department of economic development or his or her designee and
8 the commissioner of the office of administration or his or her designee have approved a tax
9 increment financing application made by the municipality for the appropriation of the new state
10 revenues. The municipality shall include in the application the following items in addition to the
11 items in section 99.810:

12 (a) The tax increment financing district or redevelopment area, including the businesses
13 identified within the redevelopment area;

14 (b) The base year of state sales tax revenues or the base year of state income tax withheld
15 on behalf of existing employees, reported by existing businesses within the project area prior to
16 approval of the redevelopment project;

17 (c) The estimate of the incremental increase in the general revenue portion of state sales
18 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
19 employees expected to fill new jobs created within the redevelopment area after redevelopment;

20 (d) The official statement of any bond issue pursuant to this subsection after December
21 23, 1997;

22 (e) An affidavit that is signed by the developer or developers attesting that the provisions
23 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
24 redevelopment area would not be reasonably anticipated to be developed without the
25 appropriation of the new state revenues;

26 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal

1 impact on the state of Missouri; and

2 (g) The statement of election between the use of the incremental increase of the general
3 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
4 behalf of new employees who fill new jobs created in the redevelopment area;

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

7 (i) The street address of the development site;

8 (j) The three-digit North American Industry Classification System number or numbers
9 characterizing the development project;

10 (k) The estimated development project costs;

11 (l) The anticipated sources of funds to pay such development project costs;

12 (m) Evidence of the commitments to finance such development project costs;

13 (n) The anticipated type and term of the sources of funds to pay such development project
14 costs;

15 (o) The anticipated type and terms of the obligations to be issued;

16 (p) The most recent equalized assessed valuation of the property within the development
17 project area;

18 (q) An estimate as to the equalized assessed valuation after the development project area
19 is developed in accordance with a development plan;

20 (r) The general land uses to apply in the development area;

21 (s) The total number of individuals employed in the development area, broken down by
22 full-time, part-time, and temporary positions;

23 (t) The total number of full-time equivalent positions in the development area;

24 (u) The current gross wages, state income tax withholdings, and federal income tax
25 withholdings for individuals employed in the development area;

26 (v) The total number of individuals employed in this state by the corporate parent of any

business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;

(w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;

(x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;

(y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

(z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

(aa) A list of other community and economic benefits to result from the project;

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

(cc) 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 pursuant to this section is being sought;

(dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;

(ee) A statement as to whether or not the project involves the relocation of work from

another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(ff) A list of competing businesses in the county containing the development area and in each contiguous county;

(gg) A market study for the development area;

(hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund exceed thirty-two million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the

1 department of economic development or his or her designee and the commissioner of the office of
2 administration or his or her designee; except that, in no case shall the duration exceed
3 twenty-three years.

4 11. In addition to the areas authorized in subsection 9 of this section, the funding
5 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
6 levee district, where construction of a levee begins after December 23, 1997, and which is
7 contained within a county of the first classification without a charter form of government with a
8 population between fifty thousand and one hundred thousand inhabitants which contains all or
9 part of a city with a population in excess of four hundred thousand or more inhabitants.

10 12. There is hereby established within the state treasury a special fund to be known as the
11 "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of
12 economic development. The department shall annually distribute from the Missouri supplemental
13 tax increment financing fund the amount of the new state revenues as appropriated as provided in
14 the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10
15 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests
16 received from federal, private or other sources. Moneys in the Missouri supplemental tax
17 increment financing fund shall be disbursed per project pursuant to state appropriations.

18 13. Redevelopment project costs may include, at the prerogative of the state, the portion
19 of salaries and expenses of the department of economic development and the department of
20 revenue reasonably allocable to each redevelopment project approved for disbursements from the
21 Missouri supplemental tax increment financing fund for the ongoing administrative functions
22 associated with such redevelopment project. Such amounts shall be recovered from new state
23 revenues deposited into the Missouri supplemental tax increment financing fund created under
24 this section.

25 14. For redevelopment plans or projects approved by ordinance that result in net new jobs
26 from the relocation of a national headquarters from another state to the area of the redevelopment

1 project, the economic activity taxes and new state tax revenues shall not be based on a calculation
2 of the incremental increase in taxes as compared to the base year or prior calendar year for such
3 redevelopment project, rather the incremental increase shall be the amount of total taxes generated
4 from the net new jobs brought in by the national headquarters from another state. In no event
5 shall this subsection be construed to allow a redevelopment project to receive an appropriation in
6 excess of up to fifty percent of the new state revenues.

7 15. Beginning January 1, 2012, for redevelopment plans and
8 projects adopted or redevelopment projects approved by ordinance
9 and which have complied with subsections 15 to 23 of this
10 section, in addition to the payments in lieu of taxes and
11 economic activity taxes described in subsections 1, 2, and 3 of
12 this section, up to fifty percent of the state disaster recovery
13 revenues, as defined in subsection 19 of this section, estimated
14 for the businesses within the project area and identified by the
15 municipality in the application required by subsection 21 of this
16 section, over and above the amount of such taxes reported by
17 businesses within the project area as identified by the
18 municipality in their application prior to the approval of the
19 redevelopment project by ordinance, while tax increment financing
20 remains in effect, may be available for appropriation by the
21 general assembly as provided in subsection 21 of this section to
22 the department of economic development supplemental disaster
23 recovery fund, from the general revenue fund, for distribution to
24 the treasurer or other designated financial officer of the
25 municipality with approved plans or projects.

26 16. The treasurer or other designated financial officer of
27 the municipality with approved plans or projects shall deposit
28 such funds in a separate segregated account within the special

1 allocation fund established under section 99.805.

2 17. No transfer from the general revenue fund to the
3 Missouri supplemental disaster recovery fund shall be made unless
4 an appropriation is made from the general revenue fund for that
5 purpose. No municipality shall commit any state revenues prior
6 to an appropriation being made for that project. For all
7 redevelopment plans or projects adopted or approved after January
8 1, 2011, appropriations from the state disaster recovery revenues
9 shall not be distributed from the Missouri supplemental disaster
10 recovery fund into the special allocation fund unless the
11 municipality's redevelopment plan ensures that one hundred
12 percent of payments in lieu of taxes and fifty percent of
13 economic activity taxes generated by the project shall be used
14 for eligible redevelopment project costs while tax increment
15 financing remains in effect. This account shall be separate from
16 the account into which payments in lieu of taxes are deposited,
17 and separate from the account into which economic activity taxes
18 are deposited.

19 18. In order for the redevelopment plan or project to be
20 eligible to receive the revenue described in subsection 15 of
21 this section, the municipality shall comply with the requirements
22 of subsection 21 of this section prior to the time the project or
23 plan is adopted or approved by ordinance. The director of the
24 department of economic development and the commissioner of the
25 office of administration may waive the requirement that the
26 municipality's application be submitted prior to the
27 redevelopment plan's or project's adoption or the redevelopment
28 plan's or project's approval by ordinance.

1 19. For purposes of this section, "state disaster recovery
2 revenues" means:

3 (1) The incremental increase in the general revenue portion
4 of state sales tax revenues received under section 144.020,
5 excluding sales taxes that are constitutionally dedicated, taxes
6 deposited to the school district trust fund in accordance with
7 section 144.701, sales and use taxes on motor vehicles, trailers,
8 boats and outboard motors and future sales taxes earmarked by
9 law; and

10 (2) The state income tax withheld on behalf of employees by
11 the employer under section 143.221 at businesses located within
12 the project area as identified by the municipality.

13 20. Subsection 15 of this section shall apply only to
14 redevelopment areas predominantly within disaster areas.

15 21. The initial appropriation of up to fifty percent of the
16 state disaster recovery revenues authorized under subsections 15
17 and 16 of this section shall not be made to or distributed by the
18 department of economic development to a municipality until all of
19 the following conditions have been satisfied:

20 (1) The director of the department of economic development
21 or his or her designee and the commissioner of the office of
22 administration or his or her designee have approved a tax
23 increment financing application made by the municipality for the
24 appropriation of the state disaster recovery revenues. The
25 municipality shall include in the application the following items
26 in addition to the items in section 99.810:

27 (a) The tax increment financing district or redevelopment
28 area, including the businesses identified within the

1 redevelopment area;

2 (b) The base year of state sales tax revenues and the base
3 year of state income tax withheld on behalf of existing
4 employees, reported by existing businesses within the project
5 area prior to approval of the redevelopment project;

6 (c) The estimate of the incremental increase in the general
7 revenue portion of state sales tax revenue and the estimate for
8 the incremental increase in the state income tax withheld by
9 employers on behalf of employees filling jobs created within the
10 redevelopment area after redevelopment;

11 (d) The cost-benefit analysis required by section 99.810
12 includes a study of the fiscal impact on the state of Missouri;
13 and

14 (e) The name, street and mailing address, and phone number
15 of the mayor or chief executive officer of the municipality;

16 (f) The three-digit North American Industry Classification
17 System number or numbers characterizing the redevelopment
18 project;

19 (g) The estimated redevelopment project costs;

20 (h) The anticipated sources of funds to pay such
21 redevelopment project costs;

22 (i) Evidence of the commitments to finance such
23 redevelopment project costs;

24 (j) The anticipated type and term of the sources of funds
25 to pay such redevelopment project costs;

26 (k) The anticipated type and terms of the obligations to be
27 issued;

28 (l) The most recent equalized assessed valuation of the

1 property within the redevelopment project area;

2 (m) An estimate as to the equalized assessed valuation
3 after the redevelopment project area is developed in accordance
4 with a redevelopment plan;

5 (n) The general land uses to apply in the redevelopment
6 area;

7 (o) The total number of individuals employed in the
8 redemption area, broken down by full-time, part-time, and
9 temporary positions;

10 (p) The total number of full-time equivalent positions in
11 the redemption area;

12 (q) The current gross wages, state income tax withholdings,
13 and federal income tax withholdings for individuals employed in
14 the redemption area;

15 (r) A list of other community and economic benefits to
16 result from the redemption project;

17 (s) A list of all other public investments made or to be
18 made by the federal government, this state or units of local
19 government to support infrastructure or other needs generated by
20 the redemption project for which the funding under this
21 section is being sought;

22 (t) A statement as to whether the redemption project may
23 reduce employment at any other site, within or without the state,
24 resulting from automation, merger, acquisition, corporate
25 restructuring, relocation, or other business activity;

26 (u) A statement as to whether or not the redemption
27 project involves the relocation of work from another address and
28 if so, the number of jobs to be relocated and the address from

1 which they are to be relocated;

2 (v) A market study for the redevelopment area;

3 (w) A certification by the chief officer of the applicant
4 as to the accuracy of the redevelopment plan;

5 (2) The methodologies used in the application for
6 determining the base year and determining the estimate of the
7 incremental increase in the general revenue portion of the state
8 sales tax revenues and the state income tax withheld by employers
9 on behalf of employees filling jobs within the redevelopment area
10 shall be approved by the director of the department of economic
11 development or his or her designee and the commissioner of the
12 office of administration or his or her designee. Upon approval
13 of the application, the director of the department of economic
14 development or his or her designee and the commissioner of the
15 office of administration or his or her designee shall issue a
16 certificate of approval, which shall provide for a maximum amount
17 of state disaster recovery revenues available to the municipality
18 for the duration of the redevelopment plans and projects as
19 determined in accordance with subdivision (4) of this subsection.
20 The department of economic development may request the
21 appropriation following application approval;

22 (3) The appropriation shall be both a portion of the
23 estimate of the incremental increase in the general revenue
24 portion of state sales tax revenues in the redevelopment area and
25 a portion of the estimate of the state income tax withheld by the
26 employer on behalf of employees filling jobs within the
27 redevelopment area as indicated in the municipality's
28 application, approved by the director of the department of

economic development or his or her designee and the commissioner of the office of administration or his or her designee;

(4) Redevelopment plans and projects receiving state disaster recovery revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twenty-three years.

22. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Disaster Recovery Fund", to be administered by the department of economic development. The department of economic development shall create a separate subaccount of the Missouri supplemental disaster recovery fund for each redevelopment project approved under subsections 15 to 21 of this section, into which the state disaster recovery revenues attributable to each such redevelopment project shall be deposited at least annually. The department shall annually distribute to each municipality from the corresponding subaccount of the Missouri supplemental disaster recovery fund the amount of the state disaster recovery revenues as appropriated to each municipality as provided in the provisions of subsections 15 and 16 of this section if and only if such municipality has met the conditions of subsection 21 of this section. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental disaster recovery fund shall be disbursed per project pursuant to state

1 appropriations. Any moneys remaining in the Missouri
2 supplemental disaster recovery fund at the end of any fiscal year
3 shall not lapse to the general revenue fund, as provided for in
4 section 33.080, but shall remain in the Missouri supplemental
5 disaster recovery fund.

6 23. Notwithstanding anything to the contrary in subsections
7 15 to 22 of this section, the department of economic development
8 may request an appropriation for any given fiscal year from the
9 general fund to a particular subaccount of the Missouri
10 supplemental disaster recovery fund in excess of the amount of
11 state disaster recovery revenues estimated to be generated within
12 the applicable redevelopment project in the calendar year
13 immediately preceding such fiscal year, so long as the total
14 amount of appropriations to such subaccount of the Missouri
15 supplemental disaster recovery fund does not exceed the maximum
16 amount provided for in the certificate of approval issued
17 pursuant to subsection 19 of this section.

18 24. Redevelopment project costs may include, at the
19 prerogative of the state, the portion of salaries and expenses of
20 the department of economic development and the department of
21 revenue reasonably allocable to each redevelopment project
22 approved for disbursements from the Missouri supplemental
23 disaster recovery fund for the ongoing administrative functions
24 associated with such redevelopment project. Such amounts shall
25 be recovered from state disaster recovery revenues deposited into
26 the Missouri supplemental disaster recovery fund created under
27 this section.

28 99.865. 1. Each year the governing body of the municipality, or its designee, shall prepare

1 a report concerning the status of each redevelopment plan and redevelopment project, and shall
2 submit a copy of such report to the director of the department of economic development. The
3 report shall include the following:

- 4 (1) The amount and source of revenue in the special allocation fund;
5 (2) The amount and purpose of expenditures from the special allocation fund;
6 (3) The amount of any pledge of revenues, including principal and interest on any
7 outstanding bonded indebtedness;
8 (4) The original assessed value of the redevelopment project;
9 (5) The assessed valuation added to the redevelopment project;
10 (6) Payments made in lieu of taxes received and expended;
11 (7) The economic activity taxes generated within the redevelopment area in the calendar
12 year prior to the approval of the redevelopment plan, to include the following:

13 (a) For redevelopment plans and redevelopment projects adopted or redevelopment
14 projects approved by ordinance and which have complied with subsections 4 to 12 of section
15 99.845, a separate entry for the state sales tax revenue base for the redevelopment area or the state
16 income tax withheld by employers on behalf of existing employees in the redevelopment area
17 prior to the redevelopment plan; or

18 (b) For redevelopment plans and redevelopment projects adopted or redevelopment
19 projects approved by ordinance and which have complied with subsections 15 to 23 of section
20 99.845, a separate entry for the state sales tax revenue base for the redevelopment area and the
21 state income tax withheld by employers on behalf of existing employees in the redevelopment
22 area prior to the redevelopment plan;

23 (8) The economic activity taxes generated within the redevelopment area after the
24 approval of the redevelopment plan, to include the following:

25 (a) For redevelopment plans and redevelopment projects adopted or redevelopment
26 projects approved by ordinance and which have complied with subsections 4 to 12 of section

1 99.845, a separate entry for the increase in state sales tax revenues for the redevelopment area or
2 the increase in state income tax withheld by employers on behalf of new employees who fill new
3 jobs created in the redevelopment area; or

4 (b) For redevelopment plans and redevelopment projects adopted or redevelopment
5 projects approved by ordinance and which have complied with subsections 15 to 23 of section
6 99.845, a separate entry for the increase in state sales tax revenues for the redevelopment area and
7 the increase in state income tax withheld by employers on behalf of employees filling jobs within
8 the redevelopment area;

9 (9) Reports on contracts made incident to the implementation and furtherance of a
10 redevelopment plan or project;

11 (10) A copy of any redevelopment plan, which shall include the required findings and
12 cost-benefit analysis pursuant to subdivisions (1) to (6) of section 99.810;

13 (11) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired
14 or remodeled;

15 (12) The number of parcels acquired by or through initiation of eminent domain
16 proceedings; and

17 (13) Any additional information the municipality deems necessary.

18 2. Data contained in the report mandated pursuant to the provisions of subsection 1 of this
19 section and any information regarding amounts disbursed to municipalities pursuant to the
20 provisions of section 99.845 shall be deemed a public record, as defined in section 610.010. An
21 annual statement showing the payments made in lieu of taxes received and expended in that year,
22 the status of the redevelopment plan and projects therein, amount of outstanding bonded
23 indebtedness and any additional information the municipality deems necessary shall be published
24 in a newspaper of general circulation in the municipality.

25 3. Five years after the establishment of a redevelopment plan and every five years
26 thereafter the governing body shall hold a public hearing regarding those redevelopment plans and

1 projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to
2 determine if the redevelopment project is making satisfactory progress under the proposed time
3 schedule contained within the approved plans for completion of such projects.

4 Notice of such public hearing shall be given in a newspaper of general circulation in the area
5 served by the commission once each week for four weeks immediately prior to the hearing.

6 4. The director of the department of economic development shall submit a report to the
7 state auditor, the speaker of the house of representatives, and the president pro tem of the senate
8 no later than February first of each year. The report shall contain a summary of all information
9 received by the director pursuant to this section.

10 5. For the purpose of coordinating all tax increment financing projects using new state
11 revenues or state disaster recovery revenues, the director of the department of economic
12 development may promulgate rules and regulations to ensure compliance with this section. Such
13 rules and regulations may include methods for enumerating all of the municipalities which have
14 established commissions pursuant to section 99.820. No rule or portion of a rule promulgated
15 under the authority of sections 99.800 to 99.865 shall become effective unless it has been
16 promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior
17 to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be
18 interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if
19 such rule complied with the provisions of chapter 536. The provisions of this section and chapter
20 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
21 chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul
22 a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of
23 rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be
24 invalid and void.

25 6. The department of economic development shall provide information and technical
26 assistance, as requested by any municipality, on the requirements of sections 99.800 to 99.865.

Such information and technical assistance shall be provided in the form of a manual, written in an easy-to-follow manner, and through consultations with departmental staff.

7. Any municipality which fails to comply with the reporting requirements provided in this section shall be prohibited from implementing any new tax increment finance project for a period of no less than five years from such municipality's failure to comply.

8. Based upon the information provided in the reports required under the provisions of this section, the state auditor shall make available for public inspection on the auditor's website, a searchable electronic database of such municipal tax increment finance reports. All information contained within such database shall be maintained for a period of no less than ten years from initial posting.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.