

HCS HB 5 -- COMMERCIAL PROPERTY TAX ASSESSMENT REDUCTION AND TAX INCREMENT FINANCING BECAUSE OF A NATURAL DISASTER (White)

COMMITTEE OF ORIGIN: Committee on Ways and Means

This substitute requires the county assessor to remove from the current year's tax book on a pro-rata basis any commercial real property destroyed by a natural disaster if the property owner files an application with the assessor's office listing all destroyed property and if the property is unusable for a commercial activity. The assessor may verify all the destroyed property listed to ensure that the person made a correct statement. Any person who fraudulently lists any property must be assessed double the value of the property in addition to any other penalties provided by law. Once the reconstruction of the property is completed and a certificate of occupancy is issued or the assessor determines that the property is suitable for commercial use, the property will be returned to the tax rolls. A political subdivision can adjust the rate of taxation to recover the loss of revenue, to the extent previously authorized by the voters, in the tax year immediately following the year of destruction in an amount not to exceed the lost revenue. Beginning January 1, 2011, the bill becomes effective immediately upon the adoption of these provisions by the governing body of any county or the City of St. Louis.

The substitute also authorizes tax increment financing in any blighted area that has sustained severe damage as the result of a natural disaster. The area must be within a municipality for which public and individual assistance has been requested by the Governor under Section 401 of the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act and must have sustained major damage as determined by the State Emergency Management Agency. The municipality must adopt an ordinance approving the redevelopment project within one year of the natural disaster.

Beginning January 1, 2012, in addition to the payments in lieu of taxes and economic activity taxes resulting from a municipality authorizing tax increment financing, up to 50% of the incremental increase in the general revenue portion of the state sales tax revenues collected and the state income taxes withheld on behalf of employees at businesses located within the project area can be made available for appropriation by the General Assembly to areas with a redevelopment project approved by the Department of

Economic Development. All designated state moneys collected from the approved redevelopment area will be deposited into the newly created Missouri Supplemental Disaster Recovery Fund. A separate subaccount will be established within the fund for each approved redevelopment project.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an Income of \$0 to a Cost of Unknown in FY 2012, FY 2013, and FY 2014. Estimated Net Effect on Other State Funds of an Income of \$0 to a Cost of Unknown in FY 2012, an Income of Unknown to a Cost of Unknown in FY 2013, and an Income of Unknown to a Cost of Unknown in FY 2014.