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HOUSE/SENATE

AMENDMENT NO. _____

Offered by

Ned Torpen

of

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AMEND HCS SCS, Senate, Bill No. 726, Page 7, Section 67.085,Line 22, by inserting after all of said line the following:

"99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid 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 which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

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1 (2) (a) Payments in lieu of taxes attributable to the
2 increase in the current equalized assessed valuation of each
3 taxable lot, block, tract, or parcel of real property in the area
4 selected for the redevelopment project and any applicable penalty
5 and interest over and above the initial equalized assessed value
6 of each such unit of property in the area selected for the
7 redevelopment project shall be allocated to and, when collected,
8 shall be paid to the municipal treasurer who shall deposit such
9 payment in lieu of taxes into a special fund called the "Special
10 Allocation Fund" of the municipality for the purpose of paying
11 redevelopment costs and obligations incurred in the payment
12 thereof. Payments in lieu of taxes which are due and owing shall
13 constitute a lien against the real estate of the redevelopment
14 project from which they are derived and shall be collected in the
15 same manner as the real property tax, including the assessment of
16 penalties and interest where applicable. The municipality may,
17 in the ordinance, pledge the funds in the special allocation fund
18 for the payment of such costs and obligations and provide for the
19 collection of payments in lieu of taxes, the lien of which may be
20 foreclosed in the same manner as a special assessment lien as
21 provided in section 88.861. No part of the current equalized
22 assessed valuation of each lot, block, tract, or parcel of
23 property in the area selected for the redevelopment project
24 attributable to any increase above the total initial equalized
25 assessed value of such properties shall be used in calculating
26 the general state school aid formula provided for in section
27 163.031 until such time as all redevelopment costs have been paid
28 as provided for in this section and section 99.850;

29 (b) Notwithstanding any provisions of this section to the
30 contrary, for purposes of determining the limitation on
31 indebtedness of local government pursuant to article VI, section
32 26(b) of the Missouri Constitution, the current equalized
33 assessed value of the property in an area selected for
34 redevelopment attributable to the increase above the total
35 initial equalized assessed valuation shall be included in the
36 value of taxable tangible property as shown on the last completed
37 assessment for state or county purposes;

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

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

19 2. In addition to the payments in lieu of taxes described
20 in subdivision (2) of subsection 1 of this section, for
21 redevelopment plans and projects adopted or redevelopment
22 projects approved by ordinance after July 12, 1990, and prior to
23 August 31, 1991, fifty percent of the total additional revenue
24 from taxes, penalties and interest imposed by the municipality,
25 or other taxing districts, which are generated by economic
26 activities within the area of the redevelopment project over the
27 amount of such taxes generated by economic activities within the
28 area of the redevelopment project in the calendar year prior to
29 the adoption of the redevelopment project by ordinance, while tax
30 increment financing remains in effect, but excluding taxes
31 imposed on sales or charges for sleeping rooms paid by transient
32 guests of hotels and motels, taxes levied pursuant to section
33 70.500, licenses, fees or special assessments other than payments
34 in lieu of taxes and any penalty and interest thereon, or,
35 effective January 1, 1998, taxes levied pursuant to section
36 94.660, for the purpose of public transportation, shall be
37 allocated to, and paid by the local political subdivision

1 collecting officer to the treasurer or other designated financial
2 officer of the municipality, who shall deposit such funds in a
3 separate segregated account within the special allocation fund.
4 Any provision of an agreement, contract or covenant entered into
5 prior to July 12, 1990, between a municipality and any other
6 political subdivision which provides for an appropriation of
7 other municipal revenues to the special allocation fund shall be
8 and remain enforceable.

9 3. In addition to the payments in lieu of taxes described
10 in subdivision (2) of subsection 1 of this section, for
11 redevelopment plans and projects adopted or redevelopment
12 projects approved by ordinance after August 31, 1991, fifty
13 percent of the total additional revenue from taxes, penalties and
14 interest which are imposed by the municipality or other taxing
15 districts, and which are generated by economic activities within
16 the area of the redevelopment project over the amount of such
17 taxes generated by economic activities within the area of the
18 redevelopment project in the calendar year prior to the adoption
19 of the redevelopment project by ordinance, while tax increment
20 financing remains in effect, but excluding personal property
21 taxes, taxes imposed on sales or charges for sleeping rooms paid
22 by transient guests of hotels and motels, taxes levied pursuant
23 to section 70.500, taxes levied for the purpose of public
24 transportation pursuant to section 94.660, licenses, fees or
25 special assessments other than payments in lieu of taxes and
26 penalties and interest thereon, or any sales tax imposed by a
27 county with a charter form of government and with more than six
28 hundred thousand but fewer than seven hundred thousand
29 inhabitants, for the purpose of sports stadium improvement or
30 levied by such county under section 238.410 for the purpose of
31 the county transit authority operating transportation facilities,
32 shall be allocated to, and paid by the local political
33 subdivision collecting officer to the treasurer or other
34 designated financial officer of the municipality, who shall
35 deposit such funds in a separate segregated account within the
36 special allocation fund.

37 4. Beginning January 1, 1998, for redevelopment plans and

1 projects adopted or redevelopment projects approved by ordinance
2 and which have complied with subsections 4 to 12 of this section,
3 in addition to the payments in lieu of taxes and economic
4 activity taxes described in subsections 1, 2 and 3 of this
5 section, up to fifty percent of the new state revenues, as
6 defined in subsection 8 of this section, estimated for the
7 businesses within the project area and identified by the
8 municipality in the application required by subsection 10 of this
9 section, over and above the amount of such taxes reported by
10 businesses within the project area as identified by the
11 municipality in their application prior to the approval of the
12 redevelopment project by ordinance, while tax increment financing
13 remains in effect, may be available for appropriation by the
14 general assembly as provided in subsection 10 of this section to
15 the department of economic development supplemental tax increment
16 financing fund, from the general revenue fund, for distribution
17 to the treasurer or other designated financial officer of the
18 municipality with approved plans or projects.

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

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

1 and separate from the account into which economic activity taxes
2 are deposited.

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

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

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

33 (2) The state income tax withheld on behalf of new
34 employees by the employer pursuant to section 143.221 at the
35 business located within the project as identified by the
36 municipality. The state income tax withholding allowed by this
37 section shall be the municipality's estimate of the amount of

1 state income tax withheld by the employer within the
2 redevelopment area for new employees who fill new jobs directly
3 created by the tax increment financing project.

4 9. Subsection 4 of this section shall apply only to
5 blighted areas located in enterprise zones, pursuant to sections
6 135.200 to 135.256, blighted areas located in federal empowerment
7 zones, or to blighted areas located in central business districts
8 or urban core areas of cities which districts or urban core areas
9 at the time of approval of the project by ordinance, provided
10 that the enterprise zones, federal empowerment zones or blighted
11 areas contained one or more buildings at least fifty years old;
12 and

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

16 (2) Was a historic hotel located in a county of the first
17 classification without a charter form of government with a
18 population according to the most recent federal decennial census
19 in excess of one hundred fifty thousand and containing a portion
20 of a city with a population according to the most recent federal
21 decennial census in excess of three hundred fifty thousand.

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

27 (1) The director of the department of economic development
28 or his or her designee and the commissioner of the office of
29 administration or his or her designee have approved a tax
30 increment financing application made by the municipality for the
31 appropriation of the new state revenues. The municipality shall
32 include in the application the following items in addition to the
33 items in section 99.810:

34 (a) The tax increment financing district or redevelopment
35 area, including the businesses identified within the
36 redevelopment area;

37 (b) The base year of state sales tax revenues or the base

1 year of state income tax withheld on behalf of existing
2 employees, reported by existing businesses within the project
3 area prior to approval of the redevelopment project;

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

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

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

16 (f) The cost-benefit analysis required by section 99.810
17 includes a study of the fiscal impact on the state of Missouri;
18 and

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

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

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

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

29 (k) The estimated development project costs;

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

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

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

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

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

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

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

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

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

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

15 (v) The total number of individuals employed in this state
16 by the corporate parent of any business benefitting from public
17 expenditures in the development area, and all subsidiaries
18 thereof, as of December thirty-first of the prior fiscal year,
19 broken down by full-time, part-time, and temporary positions;

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

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

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

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

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

37 (bb) A list of all development subsidies that any business

1 benefitting from public expenditures in the development area has
2 previously received for the project, and the name of any other
3 granting body from which such subsidies are sought;

4 (cc) A list of all other public investments made or to be
5 made by this state or units of local government to support
6 infrastructure or other needs generated by the project for which
7 the funding pursuant to this section is being sought;

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

12 (ee) A statement as to whether or not the project involves
13 the relocation of work from another address and if so, the number
14 of jobs to be relocated and the address from which they are to be
15 relocated;

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

18 (gg) A market study for the development area;

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

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

35 (3) The appropriation shall be either a portion of the
36 estimate of the incremental increase in the general revenue
37 portion of state sales tax revenues in the redevelopment area or

1 a portion of the estimate of the state income tax withheld by the
2 employer on behalf of new employees who fill new jobs created in
3 the redevelopment area as indicated in the municipality's
4 application, approved by the director of the department of
5 economic development or his or her designee and the commissioner
6 of the office of administration or his or her designee. At no
7 time shall the annual amount of the new state revenues approved
8 for disbursements from the Missouri supplemental tax increment
9 financing fund exceed thirty-two million dollars;

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

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

27 12. There is hereby established within the state treasury a
28 special fund to be known as the "Missouri Supplemental Tax
29 Increment Financing Fund", to be administered by the department
30 of economic development. The department shall annually
31 distribute from the Missouri supplemental tax increment financing
32 fund the amount of the new state revenues as appropriated as
33 provided in the provisions of subsections 4 and 5 of this section
34 if and only if the conditions of subsection 10 of this section
35 are met. The fund shall also consist of any gifts,
36 contributions, grants or bequests received from federal, private
37 or other sources. Moneys in the Missouri supplemental tax

1 increment financing fund shall be disbursed per project pursuant
2 to state appropriations.

3 13. Redevelopment project costs may include, at the
4 prerogative of the state, the portion of salaries and expenses of
5 the department of economic development and the department of
6 revenue reasonably allocable to each redevelopment project
7 approved for disbursements from the Missouri supplemental tax
8 increment financing fund for the ongoing administrative functions
9 associated with such redevelopment project. Such amounts shall
10 be recovered from new state revenues deposited into the Missouri
11 supplemental tax increment financing fund created under this
12 section.

13 14. For redevelopment plans or projects approved by
14 ordinance that result in net new jobs from the relocation of a
15 national headquarters from another state to the area of the
16 redevelopment project, the economic activity taxes and new state
17 tax revenues shall not be based on a calculation of the
18 incremental increase in taxes as compared to the base year or
19 prior calendar year for such redevelopment project, rather the
20 incremental increase shall be the amount of total taxes generated
21 from the net new jobs brought in by the national headquarters
22 from another state. In no event shall this subsection be
23 construed to allow a redevelopment project to receive an
24 appropriation in excess of up to fifty percent of the new state
25 revenues."; and

26 Further amend said title, enacting clause and intersectional
27 references accordingly.