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**ORIGINAL**

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HOUSE/SENATEAMENDMENT NO.

Offered by

Nail Taxpay

of

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1 AMEND HCS 5 Bill No. 813, Page 2, Section 67.085,  
 2 Line 22, by inserting after all of said line the following:  
 3 "99.845. 1. A municipality, either at the time a  
 4 redevelopment project is approved or, in the event a municipality  
 5 has undertaken acts establishing a redevelopment plan and  
 6 redevelopment project and has designated a redevelopment area  
 7 after the passage and approval of sections 99.800 to 99.865 but  
 8 prior to August 13, 1982, which acts are in conformance with the  
 9 procedures of sections 99.800 to 99.865, may adopt tax increment  
 10 allocation financing by passing an ordinance providing that after  
 11 the total equalized assessed valuation of the taxable real  
 12 property in a redevelopment project exceeds the certified total  
 13 initial equalized assessed valuation of the taxable real property  
 14 in the redevelopment project, the ad valorem taxes, and payments  
 15 in lieu of taxes, if any, arising from the levies upon taxable  
 16 real property in such redevelopment project by taxing districts  
 17 and tax rates determined in the manner provided in subsection 2  
 18 of section 99.855 each year after the effective date of the  
 19 ordinance until redevelopment costs have been paid shall be  
 20 divided as follows:

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

Action Taken \_\_\_\_\_

Date \_\_\_\_\_



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.