

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 24, Page 26, Section 92.387, Line 2, by
2 inserting after all of said section and line, the following:

3
4 "99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the
5 event a municipality has undertaken acts establishing a redevelopment plan and redevelopment
6 project and has designated a redevelopment area after the passage and approval of sections 99.800 to
7 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections
8 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing
9 that after the total equalized assessed valuation of the taxable real property in a redevelopment
10 project exceeds the certified total initial equalized assessed valuation of the taxable real property in
11 the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from
12 the levies upon taxable real property in such redevelopment project by taxing districts and tax rates
13 determined in the manner provided in subsection 2 of section 99.855 each year after the effective
14 date of the ordinance until redevelopment costs have been paid shall be divided as follows:

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

21 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed
22 valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the
23 redevelopment project and any applicable penalty and interest over and above the initial equalized
24 assessed value of each such unit of property in the area selected for the redevelopment project shall
25 be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such
26 payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality
27 for the purpose of paying redevelopment costs and obligations incurred in the payment thereof.
28 Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the
29 redevelopment project from which they are derived and shall be collected in the same manner as the
30 real property tax, including the assessment of penalties and interest where applicable, except that if a
31 political subdivision increases its rate of property taxation after the adoption of the redevelopment
32 project said additional taxation revenues shall not be considered to be payment in lieu of taxes
33 subject to capture under this section. The municipality may, in the ordinance, pledge the funds in the
34 special allocation fund for the payment of such costs and obligations and provide for the collection
35 of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special
36 assessment lien as provided in section 88.861. No part of the current equalized assessed valuation of
37 each lot, block, tract, or parcel of property in the area selected for the redevelopment project

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1 attributable to any increase above the total initial equalized assessed value of such properties shall be
2 used in calculating the general state school aid formula provided for in section 163.031 until such
3 time as all redevelopment costs have been paid as provided for in this section and section 99.850;

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

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

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

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

38 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of
39 this section, for redevelopment plans and projects adopted or redevelopment projects approved by
40 ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties
41 and interest which are imposed by the municipality or other taxing districts, and which are generated
42 by economic activities within the area of the redevelopment project over the amount of such taxes
43 generated by economic activities within the area of the redevelopment project in the calendar year
44 prior to the adoption of the redevelopment project by ordinance, while tax increment financing
45 remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for
46 sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500,
47 taxes levied for the purpose of public transportation pursuant to section 94.660, licenses, fees or
48 special assessments other than payments in lieu of taxes and penalties and interest thereon, or any

1 sales tax imposed by a county with a charter form of government and with more than six hundred
2 thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium
3 improvement or levied by such county under section 238.410 for the purpose of the county transit
4 authority operating transportation facilities, shall be allocated to, and paid by the local political
5 subdivision collecting officer to the treasurer or other designated financial officer of the
6 municipality, who shall deposit such funds in a separate segregated account within the special
7 allocation fund.

8 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
9 redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of
10 this section, in addition to the payments in lieu of taxes and economic activity taxes described in
11 subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in
12 subsection 8 of this section, estimated for the businesses within the project area and identified by the
13 municipality in the application required by subsection 10 of this section, over and above the amount
14 of such taxes reported by businesses within the project area as identified by the municipality in their
15 application prior to the approval of the redevelopment project by ordinance, while tax increment
16 financing remains in effect, may be available for appropriation by the general assembly as provided
17 in subsection 10 of this section to the department of economic development supplemental tax
18 increment financing fund, from the general revenue fund, for distribution to the treasurer or other
19 designated financial officer of the municipality with approved plans or projects.

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

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

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

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

42 (1) The incremental increase in the general revenue portion of state sales tax revenues
43 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes
44 deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on
45 motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no
46 event shall the incremental increase include any amounts attributable to retail sales unless the
47 municipality or authority has proven to the Missouri development finance board and the department
48 of economic development and such entities have made a finding that the sales tax increment

1 attributable to retail sales is from new sources which did not exist in the state during the baseline
 2 year. The incremental increase in the general revenue portion of state sales tax revenues for an
 3 existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state
 4 sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of
 5 this section; or

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

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

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

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

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

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

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

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

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

39 (d) The official statement of any bond issue pursuant to this subsection after December 23,
 40 1997;

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

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

47 (g) The statement of election between the use of the incremental increase of the general
 48 revenue portion of the state sales tax revenues or the state income tax withheld by employers on

- 1 behalf of new employees who fill new jobs created in the redevelopment area;
- 2 (h) The name, street and mailing address, and phone number of the mayor or chief executive
- 3 officer of the municipality;
- 4 (i) The street address of the development site;
- 5 (j) The three-digit North American Industry Classification System number or numbers
- 6 characterizing the development project;
- 7 (k) The estimated development project costs;
- 8 (l) The anticipated sources of funds to pay such development project costs;
- 9 (m) Evidence of the commitments to finance such development project costs;
- 10 (n) The anticipated type and term of the sources of funds to pay such development project
- 11 costs;
- 12 (o) The anticipated type and terms of the obligations to be issued;
- 13 (p) The most recent equalized assessed valuation of the property within the development
- 14 project area;
- 15 (q) An estimate as to the equalized assessed valuation after the development project area is
- 16 developed in accordance with a development plan;
- 17 (r) The general land uses to apply in the development area;
- 18 (s) The total number of individuals employed in the development area, broken down by
- 19 full-time, part-time, and temporary positions;
- 20 (t) The total number of full-time equivalent positions in the development area;
- 21 (u) The current gross wages, state income tax withholdings, and federal income tax
- 22 withholdings for individuals employed in the development area;
- 23 (v) The total number of individuals employed in this state by the corporate parent of any
- 24 business benefitting from public expenditures in the development area, and all subsidiaries thereof,
- 25 as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and
- 26 temporary positions;
- 27 (w) The number of new jobs to be created by any business benefitting from public
- 28 expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- 29 (x) The average hourly wage to be paid to all current and new employees at the project site,
- 30 broken down by full-time, part-time, and temporary positions;
- 31 (y) For project sites located in a metropolitan statistical area, as defined by the federal Office
- 32 of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state
- 33 for the industries involved at the project, as established by the United States Bureau of Labor
- 34 Statistics;
- 35 (z) For project sites located outside of metropolitan statistical areas, the average weekly
- 36 wage paid to nonmanagerial employees in the county for industries involved at the project, as
- 37 established by the United States Department of Commerce;
- 38 (aa) A list of other community and economic benefits to result from the project;
- 39 (bb) A list of all development subsidies that any business benefitting from public
- 40 expenditures in the development area has previously received for the project, and the name of any
- 41 other granting body from which such subsidies are sought;
- 42 (cc) A list of all other public investments made or to be made by this state or units of local
- 43 government to support infrastructure or other needs generated by the project for which the funding
- 44 pursuant to this section is being sought;
- 45 (dd) A statement as to whether the development project may reduce employment at any
- 46 other site, within or without the state, resulting from automation, merger, acquisition, corporate
- 47 restructuring, relocation, or other business activity;
- 48 (ee) A statement as to whether or not the project involves the relocation of work from

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

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

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

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

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

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

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

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

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

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

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

9 99.848. Notwithstanding subsection 1 of section 99.847, any district providing emergency
10 services pursuant to chapter 190 or 321 shall be entitled to reimbursement from the special allocation
11 fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax
12 increment and the ambulance district board, as defined in chapter 190, or fire protection district
13 board, as defined in chapter 321, or 911 emergency services board, as defined in chapter 190, shall
14 set the refund amount rate prior to when the assessment is paid into the special allocation fund. This
15 section shall not apply to tax increment financing projects or districts approved prior to August 28,
16 2004."; and

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