

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 112,
2 Page 24, Section 94.903, Line 97, by inserting immediately after all of said section and line the
3 following:
4

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

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

23 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
24 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for
25 the redevelopment project and any applicable penalty and interest over and above the initial
26 equalized assessed value of each such unit of property in the area selected for the redevelopment
27 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall
28 deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the
29 municipality for the purpose of paying redevelopment costs and obligations incurred in the payment
30 thereof. Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in
31 such taxing district's levy rate for ad valorem tax on real property, any additional revenues generated
32 within an existing redevelopment project area that are directly attributable to the newly voter-
33 approved incremental increase in such taxing district's levy rate shall not be considered payments in
34 lieu of taxes subject to deposit into a special allocation fund without the consent of such taxing
35 district. Revenues will be considered directly attributable to the newly voter-approved incremental
36 increase to the extent that they are generated from the difference between the taxing district's actual

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levy rate currently imposed and the maximum voter-approved levy rate at the time that the redevelopment project was adopted. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031 until such time as all redevelopment costs have been paid as provided for in this section and section 99.850.

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

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

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

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

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by

ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under section 238.410 for the purpose of the county transit authority operating transportation facilities, or for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication systems, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered economic activity taxes subject to deposit into a special allocation fund without the consent of such taxing district.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, 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 the following:

(1) 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

(a) 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

(b) 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 excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand;

(2) Blighted areas consisting solely of the site of a former automobile manufacturing plant located in any county with a charter form of government and with more than nine hundred fifty thousand inhabitants. For the purposes of this section, "former automobile manufacturing plant" means a redevelopment area containing a minimum of one hundred acres, and such redevelopment area was previously used primarily for the manufacture of automobiles but ceased such manufacturing after the 2007 calendar year; or

(3) Blighted areas consisting solely of the site of a former insurance company national service center containing a minimum of one hundred acres located in any county with a charter form

1 of government and with more than nine hundred fifty thousand inhabitants.

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

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

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

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

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

18 (d) The official statement of any bond issue pursuant to this subsection after December 23,
19 1997;

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

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

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

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

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

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

34 (k) The estimated development project costs;

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

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

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

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

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

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

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

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

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

48 (u) The current gross wages, state income tax withholdings, and federal income tax

1 withholdings for individuals employed in the development area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (3) The appropriation shall be either a portion of the estimate of the incremental increase in
46 the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the
47 estimate of the state income tax withheld by the employer on behalf of new employees who fill new
48 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; provided, however, that such thirty-two million dollar cap shall not apply to redevelopment plans or projects initially listed by name in the applicable appropriations bill after August 28, 2015, which involve either:

- (a) A former automobile manufacturing plant; or
- (b) The retention of a federal employer employing over two thousand geospatial intelligence jobs.

At no time shall the annual amount of the new state revenues for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans and projects eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in the aggregate. At no time shall the annual amount of the new state revenues for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans and projects eligible under the provisions of paragraph (b) of this subdivision exceed twelve million dollars in the aggregate. To the extent a redevelopment plan or project independently meets the eligibility criteria set forth in both paragraphs (a) and (b) of this subdivision, then at no such time shall the annual amount of new state revenues for disbursements from the Missouri supplemental tax increment financing fund for such eligible redevelopment plan or project exceed twelve million dollars in the aggregate;

(4) At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans or projects approved on or after August 28, 2017, and before August 28, 2027, be increased by or exceed ten million dollars. Redevelopment plans or projects approved prior to August 28, 2017, which are expanded with buildings of new construction shall not be increased by more than ten million dollars in excess of the original previously approved maximum projected amount. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund for redevelopment plans or projects approved on or after August 28, 2027, exceed twenty million dollars; provided however, that such ceilings shall not apply to redevelopment plans or projects exempted from such ceilings under subdivision (3) of this subsection;

(5) 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 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.

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

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsection 4 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received

1 from federal, private or other sources. Moneys in the Missouri supplemental tax increment
2 financing fund shall be disbursed per project pursuant to state appropriations.

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

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

17 15. Notwithstanding any other provision of the law to the contrary, the adoption of any tax
18 increment financing authorized under sections 99.800 to 99.865 shall not supersede, alter, or reduce
19 in any way a property tax levied under section 205.971."; and

20
21 Further amend said bill by amending the title, enacting clause, and intersectional references
22 accordingly.