

HOUSE AMENDMENT NO.\_\_\_\_  
TO  
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Offered By

AMEND House Amendment No.\_\_\_\_ to Senate Committee Substitute for Senate Bill No. 629, Page 1, Lines 6 to 36, Page 2, Lines 1 to 48, Page 3, Lines 1 to 48, and Page 4, Lines 1 to 30, by deleting all of said lines and inserting in lieu thereof the following:

"(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, ~~[improper subdivision or obsolete platting,]~~ or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, ~~[morals,]~~ or welfare in its present condition and use;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2020, in retail areas, a conservation area shall meet the dilapidation standard as one of the three factors required under this subdivision;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, 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, licenses, fees or special assessments. For redevelopment projects or

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

1 redevelopment plans approved after December 23, 1997, if a retail establishment relocates within  
 2 one year from one facility to another facility within the same county and the governing body of the  
 3 municipality finds that the relocation is a direct beneficiary of tax increment financing, then for  
 4 purposes of this definition, the economic activity taxes generated by the retail establishment shall  
 5 equal the total additional revenues from economic activity taxes which are imposed by a  
 6 municipality or other taxing district over the amount of economic activity taxes generated by the  
 7 retail establishment in the calendar year prior to its relocation to the redevelopment area;

8 (5) "Economic development area", any area or portion of an area located within the  
 9 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3)  
 10 of this section, and in which the governing body of the municipality finds that redevelopment will  
 11 not be solely used for development of commercial businesses which unfairly compete in the local  
 12 economy and is in the public interest because it will:

13 (a) Discourage commerce, industry or manufacturing from moving their operations to  
 14 another state; or

15 (b) Result in increased employment in the municipality; or

16 (c) Result in preservation or enhancement of the tax base of the municipality;

17 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800  
 18 and any related business facility including any real property improvements which are directly and  
 19 solely related to such business facility, whose sole purpose is to provide goods or services to an  
 20 excursion gambling boat and whose majority ownership interest is held by a person licensed to  
 21 conduct gambling games on an excursion gambling boat or licensed to operate an excursion  
 22 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable  
 23 only to a redevelopment area designated by ordinance adopted after December 23, 1997;

24 (7) "Greenfield area", any vacant, unimproved, or agricultural property that is located  
 25 wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded  
 26 by contiguous properties with agricultural zoning classifications or uses unless said property was  
 27 annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the  
 28 ordinance approving the redevelopment plan for such greenfield area;

29 (8) "Municipality", a city, village, or incorporated town or any county of this state. For  
 30 redevelopment areas or projects approved on or after December 23, 1997, municipality applies only  
 31 to cities, villages, incorporated towns or counties established for at least one year prior to such date;

32 (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of  
 33 indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding  
 34 obligations;

35 (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or  
 36 a county or an order of the governing body of a county whose governing body is not authorized to  
 37 enact ordinances;

38 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area  
 39 selected for a redevelopment project, which revenues according to the redevelopment project or plan  
 40 are to be used for a private use, which taxing districts would have received had a municipality not  
 41 adopted tax increment allocation financing, and which would result from levies made after the time  
 42 of the adoption of tax increment allocation financing during the time the current equalized value of  
 43 real property in the area selected for the redevelopment project exceeds the total initial equalized  
 44 value of real property in such area until the designation is terminated pursuant to subsection 2 of  
 45 section 99.850;

46 (12) "Redevelopment area", an area designated by a municipality, in respect to which the  
 47 municipality has made a finding that there exist conditions which cause the area to be classified as a  
 48 blighted area, a conservation area, an economic development area, an enterprise zone pursuant to

sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of real property directly and substantially benefitted by the proposed redevelopment project;

(13) "Redevelopment plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;

(14) "Redevelopment project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall include a legal description of the area selected for the redevelopment project;

(15) "Redevelopment project costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

(a) Costs of studies, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;

(c) Property assembly costs, including, but not limited to:

a. Acquisition of land and other property, real or personal, or rights or interests therein;

b. Demolition of buildings; and

c. The clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

(e) Initial costs for an economic development area;

(f) Costs of construction of public works or improvements;

(g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

(h) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

(i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

(j) Payments in lieu of taxes;

(16) "Retail area", a proposed redevelopment area for which most of the projected tax increment financing revenue will be generated from retail businesses, which shall be businesses that primarily sell or offer to sell goods to a buyer primarily for the buyer's personal, family, or household use and not primarily for business, commercial, or agricultural use;

(17) "Retail infrastructure projects", highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks, storm water and drainage systems, and any other similar public improvements, but in no case shall retail infrastructure projects include buildings;

1       (18) "Special allocation fund", the fund of a municipality or its commission which contains  
 2 at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer  
 3 of the municipality or the treasurer of the commission into which payments in lieu of taxes are  
 4 deposited in one account, and economic activity taxes and other revenues are deposited in the other  
 5 account;

6       ~~[(17)]~~ (19) "Taxing districts", any political subdivision of this state having the power to levy  
 7 taxes;

8       (18) (20) "Taxing districts' capital costs", those costs of taxing districts for capital  
 9 improvements that are found by the municipal governing bodies to be necessary and to directly  
 10 result from the redevelopment project; and

11       ~~[(19)]~~ (21) "Vacant land", any parcel or combination of parcels of real property not used for  
 12 industrial, commercial, or residential buildings.

13       99.810. 1. Each redevelopment plan shall set forth in writing a general description of the  
 14 program to be undertaken to accomplish the objectives and shall include, but need not be limited to,  
 15 the estimated redevelopment project costs, the anticipated sources of funds to pay the costs,  
 16 evidence of the commitments to finance the project costs, the anticipated type and term of the  
 17 sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most  
 18 recent equalized assessed valuation of the property within the redevelopment area which is to be  
 19 subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an  
 20 estimate as to the equalized assessed valuation after redevelopment, and the general land uses to  
 21 apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality  
 22 without findings that:

23       (1) The redevelopment area on the whole is a blighted area, a conservation area, or an  
 24 economic development area, and has not been subject to growth and development through  
 25 investment by private enterprise and would not reasonably be anticipated to be developed without  
 26 the adoption of tax increment financing. Such a finding shall include, but not be limited to, a study  
 27 conducted by a party other than the proponent of a redeveloped plan, which includes a detailed  
 28 description of the factors that qualify the redevelopment area or project pursuant to this subdivision  
 29 and an affidavit, signed by the developer or developers and submitted with the redevelopment plan,  
 30 attesting that the provisions of this subdivision have been met;

31       (2) The redevelopment plan conforms to the comprehensive plan for the development of the  
 32 municipality as a whole;

33       (3) The estimated dates, which shall not be more than twenty-three years from the adoption  
 34 of the ordinance approving a redevelopment project within a redevelopment area, of completion of  
 35 any redevelopment project and retirement of obligations incurred to finance redevelopment project  
 36 costs have been stated, provided that no ordinance approving a redevelopment project shall be  
 37 adopted later than ten years from the adoption of the ordinance approving the redevelopment plan  
 38 under which such project is authorized and provided that no property for a redevelopment project  
 39 shall be acquired by eminent domain later than five years from the adoption of the ordinance  
 40 approving such redevelopment project;

41       (4) A plan has been developed for relocation assistance for businesses and residences;

42       (5) A cost-benefit analysis showing the economic impact of the plan on each taxing district  
 43 which is at least partially within the boundaries of the redevelopment area. The analysis shall show  
 44 the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan  
 45 under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected  
 46 political subdivision, and sufficient information from the developer for the commission established  
 47 in section 99.820 to evaluate whether the project as proposed is financially feasible;

48       (6) A finding that the plan does not include the initial development or redevelopment of any

1 gambling establishment, provided however, that this subdivision shall be applicable only to a  
 2 redevelopment plan adopted for a redevelopment area designated by ordinance after December 23,  
 3 1997.

4 2. Tax increment allocation financing shall not be adopted under sections 99.800 to 99.866  
 5 in a retail area unless such financing is exclusively utilized to fund retail infrastructure projects or  
 6 unless such area is a blighted area or conservation area. The provisions of this subsection shall not  
 7 apply to any tax increment allocation financing project or plan approved before August 28, 2018,  
 8 nor any amendment to tax increment allocation financing projects and plans approved before  
 9 August 28, 2018, provided that such an amendment does not add buildings of new construction in  
 10 excess of twenty-five percent of the scope of the original redevelopment agreement.

11 3. By the last day of February each year, each commission shall report to the director of  
 12 economic development the name, address, phone number and primary line of business of any  
 13 business which relocates to the district. The director of the department of economic development  
 14 shall compile and report the same to the governor, the speaker of the house and the president pro  
 15 tempore of the senate on the last day of April each year."; and

16  
 17 Further amend said amendment, Page 9, Line 18, by inserting after all of said line the following:

18  
 19 "99.825. 1. (1) Prior to the adoption of an ordinance proposing the designation of a  
 20 redevelopment area, or approving a redevelopment plan or redevelopment project, the commission  
 21 shall fix a time and place for a public hearing as required in subsection 4 of section 99.820 and  
 22 notify each taxing district located wholly or partially within the boundaries of the proposed  
 23 redevelopment area, plan or project.

24 (2) At the public hearing any interested person or affected taxing district may file with the  
 25 commission written objections to, or comments on, and may be heard orally in respect to, any issues  
 26 embodied in the notice. The commission shall hear and consider all protests, objections, comments  
 27 and other evidence presented at the hearing. The hearing may be continued to another date without  
 28 further notice other than a motion to be entered upon the minutes fixing the time and place of the  
 29 subsequent hearing; provided, if the commission is created under ~~[subsection 3 of]~~ section 99.820,  
 30 the hearing shall not be continued for more than thirty days beyond the date on which it is originally  
 31 opened unless such longer period is requested by the chief elected official of the municipality  
 32 creating the commission and approved by a majority of the commission.

33 (3) Prior to the conclusion of the hearing, changes may be made in the redevelopment plan,  
 34 redevelopment project, or redevelopment area, provided that each affected taxing district is given  
 35 written notice of such changes at least seven days prior to the conclusion of the hearing. After the  
 36 public hearing but prior to the adoption of an ordinance approving a redevelopment plan or  
 37 redevelopment project, or designating a redevelopment area, changes may be made to the  
 38 redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if  
 39 such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not  
 40 substantially affect the general land uses established in the redevelopment plan or substantially  
 41 change the nature of the redevelopment projects, provided that notice of such changes shall be given  
 42 by mail to each affected taxing district and by publication in a newspaper of general circulation in  
 43 the area of the proposed redevelopment not less than ten days prior to the adoption of the changes  
 44 by ordinance.

45 (4) After the adoption of an ordinance approving a redevelopment plan or redevelopment  
 46 project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior  
 47 boundaries, affecting the general land uses established pursuant to the redevelopment plan or  
 48 changing the nature of the redevelopment project without complying with the procedures provided

1 in this section pertaining to the initial approval of a redevelopment plan or redevelopment project  
2 and designation of a redevelopment area.

3 (5) Within ten days of the adoption of an ordinance approving a redevelopment plan or  
4 redevelopment project, or designating a redevelopment area, the commission created under section  
5 99.820 shall notify each board or body that oversees a taxing district that is partially or wholly  
6 located within the redevelopment area of the approval of the ordinance.

7 (6) Hearings with regard to a redevelopment project, redevelopment area, or redevelopment  
8 plan may be held simultaneously.

9 (7) Notwithstanding any other provision of law to the contrary, in addition to a public  
10 hearing, the governing body of a city, town, or village shall, for a thirty-day period, establish a  
11 forum for the public to comment on the proposed district. The forum may be digital, physical, or  
12 both. Comments shall be recorded and delivered to the governing body before the governing body  
13 votes on the proposed district.

14 (8) A city, town, or village shall post the following information on its official internet  
15 website accessible by the public and, during the thirty-day comment period, on conspicuous signs  
16 located throughout the redevelopment area:

17 (a) The boundaries of the proposed district by street location, or other readily identifiable  
18 means if no street location exists, and a map illustrating the proposed boundaries;

19 (b) The date, time, and place of the public hearing;

20 (c) A statement that a copy of the petition is available for review at the office of the  
21 municipal clerk during regular business hours; and

22 (d) A statement that all interested persons shall be given an opportunity to be heard at the  
23 public hearing.

24  
25 If a city, town, or village does not have an official internet website, it shall make the above  
26 information reasonably available in its most prominent building of governance.

27 2. If, after concluding the hearing required under this section, the commission makes a  
28 recommendation under section 99.820 in opposition to a proposed redevelopment plan,  
29 redevelopment project, or designation of a redevelopment area, or any amendments thereto, a  
30 municipality desiring to approve such project, plan, designation, or amendments shall do so only  
31 upon a two-thirds majority vote of the governing body of such municipality. For plans, projects,  
32 designations, or amendments approved by a municipality over the recommendation in opposition by  
33 the commission formed under ~~[subsection 3 of]~~ section 99.820, the economic activity taxes and  
34 payments in lieu of taxes generated by such plan, project, designation, or amendment shall be  
35 restricted to paying only those redevelopment project costs contained in subparagraphs b. and c. of  
36 paragraph (c) of subdivision (15) of section 99.805 per redevelopment project.

37 3. Tax incremental financing projects within an economic development area shall apply to  
38 and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic  
39 control systems and devices, water distribution and supply systems, curbing, sidewalks and any  
40 other similar public improvements, but in no case shall it include buildings."; and

41  
42 Further amend said amendment and page, Lines 36 to 48, and Page 10, Lines 1 to 7, by deleting all  
43 of said lines and inserting in lieu thereof the following:

44  
45 "(4) The board or body that oversees a taxing district, as that term is defined under section  
46 99.805, may elect to have fifty percent of the property or sales taxes levied by such district excluded  
47 from a tax increment allocation financing project or plan by passing a resolution by two-thirds  
48 majority no later than sixty days after the project or plan is adopted or approved by ordinance. The

1 vote may occur before the ordinance is adopted. At least ten days prior to the vote on the  
2 resolution, the board shall post notice of and hold a public hearing. If the resolution passes, the  
3 board shall notify the director of revenue, the county collector, and every other taxing district in the  
4 redevelopment area. If the resolution passes, subdivision (2) of this subsection shall not apply to  
5 fifty percent of the tax levied by the taxing district, and fifty percent of the revenue from such tax  
6 shall be allocated to the district and shall not be allocated to redevelopment costs and obligations;  
7 and

8 (5) A school board of a school district may elect to have fifty percent of the portion of  
9 property tax revenue allocated to the school district by a county or municipality excluded from a tax  
10 increment allocation financing project or plan by passing a resolution by two-thirds majority no  
11 later than sixty days after the project or plan is adopted or approved by ordinance. The vote may  
12 occur before the ordinance is adopted. At least ten days prior to the vote on the resolution, the  
13 board shall post notice of and hold a public hearing. If the resolution passes, the board shall notify  
14 the director of revenue, the county collector, and every other taxing district in the redevelopment  
15 area. If the resolution passes, subdivision (2) of this subsection shall not apply to fifty percent of  
16 the percentage of property tax revenue equal to the average percentage of property tax revenue  
17 allocated to the school district over the preceding five years, and such percentage of revenue  
18 attributable to the increase in the current equalized assessed valuation of each taxable lot, block,  
19 tract, or parcel of real property within the redevelopment project area shall be allocated to the  
20 school district and shall not be allocated to redevelopment costs and obligations.""; and

21  
22 Further amend said bill by amending the title, enacting clause, and intersectional references  
23 accordingly.  
24

25 THIS AMENDMENT AMENDS 4485S03.05H.