

SCS SB 629 -- TAX INCREMENT FINANCING

SPONSOR: Wasson

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Economic Development by a vote of 9 to 1. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

Currently, the annual amount of new state revenues that may be appropriated to the Missouri Supplemental Tax Increment Financing Fund for redevelopment projects under the Real Property Tax Increment Allocation Redevelopment Act is capped at \$32 million. This bill excludes from this cap any plan or project involving a health information technology employer employing over 7,000 employees in the state which is estimated to create in excess of 15,000 new jobs with an average annual wage of more than \$75,000, and that is listed by name in an appropriations bill. This bill also reduces the Supplemental Tax Increment Financing Fund appropriation cap from \$32 million to \$10 million for redevelopment plans or projects approved on or after August 28, 2018, and before August 28, 2028. For projects approved prior to August 28, 2018, which are expanded with buildings of new construction, the originally approved amount shall not be increased by more than \$3 million annually. For redevelopment plans or projects approved on or after August 28, 2028, the cap shall increase to \$20 million. This bill also provides that, for redevelopment plans or projects approved prior to August 28, 2018, which are expanded with buildings of new construction, and for all redevelopment plans or projects approved after August 28, 2018, no single redevelopment plan or project shall receive an appropriation that exceeds \$3 million annually. This bill is similar to SB 199 (2017).

PROPONENTS: Supporters say that the bill enables smaller construction projects to take advantage of the state tax increment financing (TIF) fund that is normally drained by larger projects. The state's TIF incentives have been successful in providing resources for Express Scripts and Schnucks expansions, and is critical when competing with other states for future employers.

Testifying for the bill were Senator Wasson; Larry Charman; and Melissa Boyd, Cerner Corporation.

OPPONENTS: There was no opposition voiced to the committee.