

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 108**  
**100TH GENERAL ASSEMBLY**

0394H.11C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal sections 99.805, 99.810, 99.843, 99.847, and 99.848, RSMo, and to enact in lieu thereof six new sections relating to tax increment financing.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 99.805, 99.810, 99.843, 99.847, and 99.848, RSMo, are repealed and  
2 six new sections enacted in lieu thereof, to be known as sections 99.805, 99.810, 99.821, 99.843,  
3 99.847, and 99.848, to read as follows:

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires  
2 otherwise, the following terms shall mean:

3 (1) "Blighted area", an area ~~[which]~~ **that**, by reason of the predominance of defective or  
4 inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements,  
5 ~~[improper subdivision or obsolete platting,]~~ or the existence of conditions ~~[which]~~ **that** endanger  
6 life or property by fire and other causes, or any combination of such factors, retards the provision  
7 of housing accommodations or constitutes an economic or social liability or a menace to the  
8 public health, safety, ~~[morals,]~~ or welfare in its present condition and use **and, for areas located**  
9 **in a city not within a county which are located in a census tract that is defined as a**  
10 **low-income community under 26 U.S.C. Section 45D(e) or is eligible to be designated as a**  
11 **qualified opportunity zone under 26 U.S.C. Section 1400Z-1;**

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (3) "Conservation area", any improved area within the boundaries of a redevelopment  
16 area located within the territorial limits of a municipality in which fifty percent or more of the  
17 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted  
18 area but is detrimental to the public health, safety, ~~moral,~~ or welfare and may become a  
19 blighted area because of any one or more of the following factors: dilapidation; obsolescence;  
20 deterioration; illegal use of individual structures; presence of structures below minimum code  
21 standards; abandonment; excessive vacancies; overcrowding of structures and community  
22 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land  
23 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of  
24 community planning. A conservation area shall meet at least three of the factors provided in this  
25 subdivision for projects approved on or after December 23, 1997. **For all redevelopment plans  
26 and projects approved on or after January 1, 2021, in retail areas, a conservation area shall  
27 meet the dilapidation factor as one of the three factors required under this subdivision;**

28 (4) "Economic activity taxes", the total additional revenue from taxes which are imposed  
29 by a municipality and other taxing districts, and which are generated by economic activities  
30 within a redevelopment area over the amount of such taxes generated by economic activities  
31 within such redevelopment area in the calendar year prior to the adoption of the ordinance  
32 designating such a redevelopment area, while tax increment financing remains in effect, but  
33 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by  
34 transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment  
35 projects or redevelopment plans approved after December 23, 1997, if a retail establishment  
36 relocates within one year from one facility to another facility within the same county and the  
37 governing body of the municipality finds that the relocation is a direct beneficiary of tax  
38 increment financing, then for purposes of this definition, the economic activity taxes generated  
39 by the retail establishment shall equal the total additional revenues from economic activity taxes  
40 which are imposed by a municipality or other taxing district over the amount of economic  
41 activity taxes generated by the retail establishment in the calendar year prior to its relocation to  
42 the redevelopment area;

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

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

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

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

52 (6) **"Flood plain infrastructure projects", flood walls, floodgates, levees, dams, or**  
53 **any other similar public improvement designed to mitigate flooding and to remove an**  
54 **area's designation as a flood plain by the Federal Emergency Management Agency;**

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

62 [~~(7)~~] (8) "Greenfield area", any vacant, unimproved, or agricultural property that is  
63 located wholly outside the incorporated limits of a city, town, or village, or that is substantially  
64 surrounded by contiguous properties with agricultural zoning classifications or uses unless said  
65 property was annexed into the incorporated limits of a city, town, or village ten years prior to the  
66 adoption of the ordinance approving the redevelopment plan for such greenfield area;

67 [~~(8)~~] (9) "Municipality", a city, village, or incorporated town or any county of this state.  
68 For redevelopment areas or projects approved on or after December 23, 1997, municipality  
69 applies only to cities, villages, incorporated towns or counties established for at least one year  
70 prior to such date;

71 [~~(9)~~] (10) "Obligations", bonds, loans, debentures, notes, special certificates, or other  
72 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to  
73 refund outstanding obligations;

74 [~~(10)~~] (11) "Ordinance", an ordinance enacted by the governing body of a city, town, or  
75 village or a county or an order of the governing body of a county whose governing body is not  
76 authorized to enact ordinances;

77 [~~(11)~~] (12) "Payment in lieu of taxes", those estimated revenues from real property in the  
78 area selected for a redevelopment project, which revenues according to the redevelopment  
79 project or plan are to be used for a private use, which taxing districts would have received had  
80 a municipality not adopted tax increment allocation financing, and which would result from  
81 levies made after the time of the adoption of tax increment allocation financing during the time  
82 the current equalized value of real property in the area selected for the redevelopment project  
83 exceeds the total initial equalized value of real property in such area until the designation is  
84 terminated pursuant to subsection 2 of section 99.850;

85 [~~(12)~~] (13) **"Port infrastructure project", docks and associated equipment, cargo**  
86 **and passenger terminals, storage warehouses, or any other similar infrastructure directly**

87 **related to port facilities located in a port district created pursuant to the provisions of**  
88 **chapter 68 and located within one-half of one mile of a navigable waterway;**

89 **(14)** "Redevelopment area", an area designated by a municipality, in respect to which the  
90 municipality has made a finding that there exist conditions which cause the area to be classified  
91 as a blighted area, a conservation area, an economic development area, an enterprise zone  
92 pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only  
93 those parcels of real property directly and substantially benefitted by the proposed redevelopment  
94 project;

95 ~~[(13)]~~ **(15)** "Redevelopment plan", the comprehensive program of a municipality for  
96 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those  
97 conditions, the existence of which qualified the redevelopment area as a blighted area,  
98 conservation area, economic development area, or combination thereof, and to thereby enhance  
99 the tax bases of the taxing districts which extend into the redevelopment area. Each  
100 redevelopment plan shall conform to the requirements of section 99.810;

101 ~~[(14)]~~ **(16)** "Redevelopment project", any development project within a redevelopment  
102 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project  
103 shall include a legal description of the area selected for the redevelopment project;

104 ~~[(15)]~~ **(17)** "Redevelopment project costs" include the sum total of all reasonable or  
105 necessary costs incurred or estimated to be incurred, and any such costs incidental to a  
106 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not  
107 limited to, the following:

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

109 (b) Professional service costs, including, but not limited to, architectural, engineering,  
110 legal, marketing, financial, planning or special services. Except the reasonable costs incurred  
111 by the commission established in section 99.820 for the administration of sections 99.800 to  
112 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be  
113 included in the costs of a redevelopment plan or project;

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

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

116 b. Demolition of buildings; and

117 c. The clearing and grading of land;

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

120 (e) Initial costs for an economic development area;

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

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

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

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

133 (j) Payments in lieu of taxes;

134 ~~[(16)]~~ **(18) "Retail area", a proposed redevelopment area for which most of the**  
135 **projected tax increment financing revenue will be generated from retail businesses, which**  
136 **shall be businesses that primarily sell or offer to sell goods to a buyer primarily for the**  
137 **buyer's personal, family, or household use and not primarily for business, commercial, or**  
138 **agricultural use;**

139 **(19) "Retail infrastructure projects", highways, roads, streets, bridges, sewers,**  
140 **traffic control systems and devices, water distribution and supply systems, curbing,**  
141 **sidewalks, storm water and drainage systems, or any other similar public improvements,**  
142 **but in no case shall retail infrastructure projects include private structures;**

143 **(20) "Special allocation fund", the fund of a municipality or its commission which**  
144 **contains at least two separate segregated accounts for each redevelopment plan, maintained by**  
145 **the treasurer of the municipality or the treasurer of the commission into which payments in lieu**  
146 **of taxes are deposited in one account, and economic activity taxes and other revenues are**  
147 **deposited in the other account;**

148 ~~[(17)]~~ **(21) "Taxing districts", any political subdivision of this state having the power to**  
149 **levy taxes;**

150 ~~[(18)]~~ **(22) "Taxing districts' capital costs", those costs of taxing districts for capital**  
151 **improvements that are found by the municipal governing bodies to be necessary and to directly**  
152 **result from the redevelopment project; and**

153 ~~[(19)]~~ **(23) "Vacant land", any parcel or combination of parcels of real property not used**  
154 **for industrial, commercial, or residential buildings.**

99.810. 1. Each redevelopment plan shall set forth in writing a general description of  
2 the program to be undertaken to accomplish the objectives and shall include, but need not be  
3 limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the

4 costs, evidence of the commitments to finance the project costs, the anticipated type and term  
5 of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued,  
6 the most recent equalized assessed valuation of the property within the redevelopment area  
7 which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to  
8 section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the  
9 general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted  
10 by a municipality without findings that:

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

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

22 (3) The estimated dates, which shall not be more than twenty-three years from the  
23 adoption of the ordinance approving a redevelopment project within a redevelopment area, of  
24 completion of any redevelopment project and retirement of obligations incurred to finance  
25 redevelopment project costs have been stated, provided that no ordinance approving a  
26 redevelopment project shall be adopted later than ten years from the adoption of the ordinance  
27 approving the redevelopment plan under which such project is authorized and provided that no  
28 property for a redevelopment project shall be acquired by eminent domain later than five years  
29 from the adoption of the ordinance approving such redevelopment project;

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

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

38 (6) A finding that the plan does not include the initial development or redevelopment of  
39 any gambling establishment, provided however, that this subdivision shall be applicable only to

40 a redevelopment plan adopted for a redevelopment area designated by ordinance after December  
41 23, 1997.

42 **2. Tax increment allocation financing shall not be adopted under sections 99.800**  
43 **to 99.865 in a retail area unless such financing is exclusively utilized to fund retail**  
44 **infrastructure projects or unless such area is a blighted area or conservation area. The**  
45 **provisions of this subsection shall not apply to any tax increment allocation financing**  
46 **project or plan approved before August 28, 2019, nor to any amendment to tax increment**  
47 **allocation financing projects and plans where such projects or plans were originally**  
48 **approved before August 28, 2019, provided that such an amendment does not add**  
49 **buildings of new construction in excess of twenty-five percent of the scope of the original**  
50 **redevelopment agreement.**

51 **3.** By the last day of February each year, each commission shall report to the director of  
52 economic development the name, address, phone number and primary line of business of any  
53 business which relocates to the district. The director of the department of economic development  
54 shall compile and report the same to the governor, the speaker of the house and the president pro  
55 tempore of the senate on the last day of April each year.

**99.821. Notwithstanding any provision of sections 99.800 to 99.865 to the contrary,**  
2 **redevelopment plans approved or amended after December 31, 2019, by a city not within**  
3 **a county may provide for the deposit of up to ten percent of the tax increment financing**  
4 **revenues generated pursuant to section 99.845 into a strategic infrastructure for economic**  
5 **growth fund established by such city in lieu of deposit into the special allocation fund.**  
6 **Moneys deposited into the strategic infrastructure for economic growth fund pursuant to**  
7 **this section may be expended by the city establishing such fund for the purpose of funding**  
8 **capital investments in public infrastructure that the governing body of such city has**  
9 **determined to be in a census tract that is defined as a low-income community under 26**  
10 **U.S.C. Section 45D(e) or is eligible to be designated as a qualified opportunity zone under**  
11 **26 U.S.C. Section 1400Z-1.**

99.843. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no  
2 new tax increment financing project shall be authorized in any greenfield area, as such term is  
3 defined in section 99.805 [~~that is located within a city not within a county or any county subject~~  
4 ~~to the authority of the East-West Gateway Council of Governments. Municipalities not subject~~  
5 ~~to the authority of the East-West Gateway Council of Governments may authorize tax increment~~  
6 ~~finance projects in greenfield areas].~~

99.847. 1. **(1)** Notwithstanding the provisions of sections 99.800 to 99.865 to the  
2 contrary, no new tax increment financing project shall be authorized in any area which is within  
3 an area designated as flood plain by the Federal Emergency Management Agency [~~and which is~~

4 ~~located in or partly within a county with a charter form of government with greater than two~~  
5 ~~hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants, unless the~~  
6 ~~redevelopment area actually abuts a river or a major waterway and is substantially surrounded~~  
7 ~~by contiguous properties with residential, industrial, or commercial zoning classifications] unless~~  
8 **such project is located in:**

9 (a) **A county with a charter form of government and with more than six hundred**  
10 **thousand but fewer than seven hundred thousand inhabitants;**

11 (b) **A county of the first classification with more than eighty-three thousand but**  
12 **fewer than ninety-two thousand inhabitants and with a city of the fourth classification with**  
13 **more than four thousand five hundred but fewer than five thousand inhabitants as the**  
14 **county seat;**

15 (c) **A county of the first classification with more than two hundred thousand but**  
16 **fewer than two hundred sixty thousand inhabitants;**

17 (d) **A port district created under the provisions of chapter 68, provided that such**  
18 **financing is exclusively utilized to fund a port infrastructure project and any other project**  
19 **the port district has interest in that is approved by the port authority; or**

20 (e) **A levee district created pursuant to chapter 245 or a drainage district created**  
21 **pursuant to chapters 242 or 243 prior to August 28, 2019.**

22 (2) **Notwithstanding the provisions of subdivision (1) of this subsection to the**  
23 **contrary, tax increment allocation financing may be adopted within an area designated as**  
24 **flood plain by the Federal Emergency Management Agency, provided that such financing**  
25 **is exclusively utilized to fund flood plain infrastructure projects that result in such area no**  
26 **longer being designated as a flood plain.**

27 2. This ~~[subsection]~~ **section** shall not apply to tax increment financing projects or  
28 districts approved prior to ~~[July 1, 2003]~~ **June 30, 2020**, and shall allow ~~[the aforementioned]~~  
29 **such** tax increment financing projects to modify, amend or expand such projects ~~[including~~  
30 ~~redevelopment project costs]~~ by not more than forty percent of such project original projected  
31 cost ~~[including redevelopment project costs as such projects including redevelopment project~~  
32 ~~costs as such projects redevelopment projects including redevelopment project costs existed as~~  
33 ~~of June 30, 2003, and shall allow the aforementioned tax increment financing district to modify,~~  
34 ~~amend or expand such districts by not more than five percent as such districts existed as of June~~  
35 ~~30, 2003].~~

36 3. **This section shall not apply to any property that, on June 30, 2020, adjoined or**  
37 **was adjacent to a tax increment financing project or district.**

99.848. 1. Notwithstanding subsection 1 of section 99.845, any district or county  
2 imposing a property tax **or economic activity tax** for the purposes of providing emergency

3 services pursuant to chapter 190 or 321 shall be entitled to reimbursement from the special  
4 allocation fund in the amount of at least fifty percent but not more than one hundred percent of  
5 the district's tax increment. This section shall not apply to tax increment financing projects or  
6 districts approved prior to August 28, 2004.

7         2. Beginning August 28, 2018, an ambulance district board operating under chapter 190,  
8 a fire protection district board operating under chapter 321, or the governing body of a county  
9 operating a 911 center providing emergency or dispatch services under chapter 190 or 321 shall  
10 annually set the reimbursement rate under subsection 1 of this section prior to the time the  
11 assessment is paid into the special allocation fund. If the redevelopment plan, area, or project  
12 is amended by ordinance or by other means after August 28, 2018, the ambulance or fire  
13 protection district board or the governing body of a county operating a 911 center providing  
14 emergency or dispatch services under chapter 190 or 321 shall have the right to recalculate the  
15 reimbursement rate under this section.

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