

FIRST REGULAR SESSION

# HOUSE BILL NO. 574

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE AMATO.

0930H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal section 99.845, RSMo, and to enact in lieu thereof one new section 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Section A. Section 99.845, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 99.845, to read as follows:

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

(1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county

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.

18 collector to the respective affected taxing districts in the manner required by law in the  
19 absence of the adoption of tax increment allocation financing;

20 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized  
21 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area  
22 selected for the redevelopment project and any applicable penalty and interest over and above  
23 the initial equalized assessed value of each such unit of property in the area selected for the  
24 redevelopment project shall be allocated to and, when collected, shall be paid to the municipal  
25 treasurer who shall deposit such payment in lieu of taxes into a special fund called the  
26 "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs  
27 and obligations incurred in the payment thereof. Beginning August 28, 2014, if the voters in  
28 a taxing district vote to approve an increase in such taxing district's levy rate for ad valorem  
29 tax on real property, any additional revenues generated within an existing redevelopment  
30 project area that are directly attributable to the newly voter-approved incremental increase in  
31 such taxing district's levy rate shall not be considered payments in lieu of taxes subject to  
32 deposit into a special allocation fund without the consent of such taxing district. Revenues  
33 will be considered directly attributable to the newly voter-approved incremental increase to  
34 the extent that they are generated from the difference between the taxing district's actual levy  
35 rate currently imposed and the maximum voter-approved levy rate at the time that the  
36 redevelopment project was adopted. Payments in lieu of taxes which are due and owing shall  
37 constitute a lien against the real estate of the redevelopment project from which they are  
38 derived and shall be collected in the same manner as the real property tax, including the  
39 assessment of penalties and interest where applicable. The municipality may, in the  
40 ordinance, pledge the funds in the special allocation fund for the payment of such costs and  
41 obligations and provide for the collection of payments in lieu of taxes, the lien of which may  
42 be foreclosed in the same manner as a special assessment lien as provided in section 88.861.  
43 No part of the current equalized assessed valuation of each lot, block, tract, or parcel of  
44 property in the area selected for the redevelopment project attributable to any increase above  
45 the total initial equalized assessed value of such properties shall be used in calculating the  
46 general state school aid formula provided for in section 163.031 until such time as all  
47 redevelopment costs have been paid as provided for in this section and section 99.850.

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

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

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

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

85 3. In addition to the payments in lieu of taxes described in subdivision (2) of  
86 subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment  
87 projects approved by ordinance after August 31, 1991, fifty percent of the total additional  
88 revenue from taxes, penalties and interest which are imposed by the municipality or other  
89 taxing districts, and which are generated by economic activities within the area of the  
90 redevelopment project over the amount of such taxes generated by economic activities within

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

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

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

130           6. No transfer from the general revenue fund to the Missouri supplemental tax  
131 increment financing fund shall be made unless an appropriation is made from the general  
132 revenue fund for that purpose. No municipality shall commit any state revenues prior to an  
133 appropriation being made for that project. For all redevelopment plans or projects adopted or  
134 approved after December 23, 1997, appropriations from the new state revenues shall not be  
135 distributed from the Missouri supplemental tax increment financing fund into the special  
136 allocation fund unless the municipality's redevelopment plan ensures that one hundred  
137 percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by  
138 the project shall be used for eligible redevelopment project costs while tax increment  
139 financing remains in effect. This account shall be separate from the account into which  
140 payments in lieu of taxes are deposited, and separate from the account into which economic  
141 activity taxes are deposited.

142           7. In order for the redevelopment plan or project to be eligible to receive the revenue  
143 described in subsection 4 of this section, the municipality shall comply with the requirements  
144 of subsection 10 of this section prior to the time the project or plan is adopted or approved by  
145 ordinance. The director of the department of economic development and the commissioner of  
146 the office of administration may waive the requirement that the municipality's application be  
147 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's  
148 or project's approval by ordinance.

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

150           (1) The incremental increase in the general revenue portion of state sales tax revenues  
151 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated,  
152 taxes deposited to the school district trust fund in accordance with section 144.701, sales and  
153 use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes  
154 earmarked by law. In no event shall the incremental increase include any amounts  
155 attributable to retail sales unless the municipality or authority has proven to the Missouri  
156 development finance board and the department of economic development and such entities  
157 have made a finding that the sales tax increment attributable to retail sales is from new  
158 sources which did not exist in the state during the baseline year. The incremental increase in  
159 the general revenue portion of state sales tax revenues for an existing or relocated facility  
160 shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in  
161 the base year as stated in the redevelopment plan as provided in subsection 10 of this section;  
162 or

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

169 9. Subsection 4 of this section shall apply only to the following:

170 (1) Blighted areas located in enterprise zones, pursuant to sections 135.200 to  
171 135.256, blighted areas located in federal empowerment zones, or to blighted areas located in  
172 central business districts or urban core areas of cities which districts or urban core areas at the  
173 time of approval of the project by ordinance, provided that the enterprise zones, federal  
174 empowerment zones or blighted areas contained one or more buildings at least fifty years old;  
175 and

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

178 (b) Was a historic hotel located in a county of the first classification without a charter  
179 form of government with a population according to the most recent federal decennial census  
180 in excess of one hundred fifty thousand and containing a portion of a city with a population  
181 according to the most recent federal decennial census in excess of three hundred fifty  
182 thousand;

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

189 (3) Blighted areas consisting solely of the site of a former insurance company  
190 national service center containing a minimum of one hundred acres located in any county  
191 with a charter form of government and with more than nine hundred fifty thousand  
192 inhabitants.

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

197 (1) The director of the department of economic development or his or her designee  
198 and the commissioner of the office of administration or his or her designee have approved a  
199 tax increment financing application made by the municipality for the appropriation of the new

200 state revenues. The municipality shall include in the application the following items in  
201 addition to the items in section 99.810:

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

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

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

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

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

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

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

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

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

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

227 (k) The estimated development project costs;

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

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

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

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

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

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

- 237 (r) The general land uses to apply in the development area;
- 238 (s) The total number of individuals employed in the development area, broken down  
239 by full-time, part-time, and temporary positions;
- 240 (t) The total number of full-time equivalent positions in the development area;
- 241 (u) The current gross wages, state income tax withholdings, and federal income tax  
242 withholdings for individuals employed in the development area;
- 243 (v) The total number of individuals employed in this state by the corporate parent of  
244 any business benefitting from public expenditures in the development area, and all  
245 subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-  
246 time, part-time, and temporary positions;
- 247 (w) The number of new jobs to be created by any business benefitting from public  
248 expenditures in the development area, broken down by full-time, part-time, and temporary  
249 positions;
- 250 (x) The average hourly wage to be paid to all current and new employees at the  
251 project site, broken down by full-time, part-time, and temporary positions;
- 252 (y) For project sites located in a metropolitan statistical area, as defined by the federal  
253 Office of Management and Budget, the average hourly wage paid to nonmanagerial  
254 employees in this state for the industries involved at the project, as established by the United  
255 States Bureau of Labor Statistics;
- 256 (z) For project sites located outside of metropolitan statistical areas, the average  
257 weekly wage paid to nonmanagerial employees in the county for industries involved at the  
258 project, as established by the United States Department of Commerce;
- 259 (aa) A list of other community and economic benefits to result from the project;
- 260 (bb) A list of all development subsidies that any business benefitting from public  
261 expenditures in the development area has previously received for the project, and the name of  
262 any other granting body from which such subsidies are sought;
- 263 (cc) A list of all other public investments made or to be made by this state or units of  
264 local government to support infrastructure or other needs generated by the project for which  
265 the funding pursuant to this section is being sought;
- 266 (dd) A statement as to whether the development project may reduce employment at  
267 any other site, within or without the state, resulting from automation, merger, acquisition,  
268 corporate restructuring, relocation, or other business activity;
- 269 (ee) A statement as to whether or not the project involves the relocation of work from  
270 another address and if so, the number of jobs to be relocated and the address from which they  
271 are to be relocated;
- 272 (ff) A list of competing businesses in the county containing the development area and  
273 in each contiguous county;



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

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

277 (2) The methodologies used in the application for determining the base year and  
278 determining the estimate of the incremental increase in the general revenue portion of the  
279 state sales tax revenues or the state income tax withheld by employers on behalf of new  
280 employees who fill new jobs created in the redevelopment area shall be approved by the  
281 director of the department of economic development or his or her designee and the  
282 commissioner of the office of administration or his or her designee. Upon approval of the  
283 application, the director of the department of economic development or his or her designee  
284 and the commissioner of the office of administration or his or her designee shall issue a  
285 certificate of approval. The department of economic development may request the  
286 appropriation following application approval;

287 (3) The appropriation shall be either a portion of the estimate of the incremental  
288 increase in the general revenue portion of state sales tax revenues in the redevelopment area  
289 or a portion of the estimate of the state income tax withheld by the employer on behalf of new  
290 employees who fill new jobs created in the redevelopment area as indicated in the  
291 municipality's application, approved by the director of the department of economic  
292 development or his or her designee and the commissioner of the office of administration  
293 or his or her designee. At no time shall the annual amount of the new state revenues approved  
294 for disbursements from the Missouri supplemental tax increment financing fund for  
295 redevelopment projects approved prior to August 28, 2018, exceed thirty-two million dollars;  
296 provided, however, that such thirty-two million dollar cap shall not apply to redevelopment  
297 plans or projects initially listed by name in the applicable appropriations bill after August 28,  
298 2015, which involve:

299 (a) A former automobile manufacturing plant;

300 (b) The retention of a federal employer employing over two thousand geospatial  
301 intelligence jobs; or

302 (c) A health information technology employer employing over seven thousand  
303 employees in the state of Missouri and which is estimated to create in excess of fifteen  
304 thousand new jobs with an average annual wage of more than seventy-five thousand dollars.  
305

306 At no time shall the annual amount of the new state revenues for disbursements from the  
307 Missouri supplemental tax increment financing fund for redevelopment plans and projects  
308 eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars  
309 in the aggregate. At no time shall the annual amount of the new state revenues for  
310 disbursements from the Missouri supplemental tax increment financing fund for

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

317 (4) At no time shall the annual amount of the new state revenues approved for  
318 disbursements from the Missouri supplemental tax increment financing fund for  
319 redevelopment plans or projects approved on or after August 28, 2018, and before August  
320 28, 2028, be increased by or exceed ten million dollars. Any individual redevelopment plan  
321 or project approved prior to August 28, 2018, which is expanded with buildings of new  
322 construction shall not be increased by more than three million dollars annually in excess of  
323 the original previously approved maximum annual projected amount. At no time shall the  
324 annual amount of the new state revenues approved for disbursements from the Missouri  
325 supplemental tax increment financing fund for redevelopment plans or projects approved on  
326 or after August 28, 2028, exceed twenty million dollars; provided, however, that such ceilings  
327 shall not apply to redevelopment plans or projects exempted from such ceilings under  
328 subdivision (3) of this subsection. For all redevelopment plans or projects initially approved  
329 on or after August 28, 2018, at no time shall a single redevelopment plan or project within  
330 such redevelopment plan receive an appropriation under this section that exceeds three  
331 million dollars annually;

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

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

344 12. There is hereby established within the state treasury a special fund to be known as  
345 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the  
346 department of economic development. The department shall annually distribute from the  
347 Missouri supplemental tax increment financing fund the amount of the new state revenues as

348 appropriated as provided in the provisions of subsection 4 of this section if and only if the  
349 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,  
350 contributions, grants or bequests received from federal, private or other sources. Moneys in  
351 the Missouri supplemental tax increment financing fund shall be disbursed per project  
352 pursuant to state appropriations.

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

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

369 15. Notwithstanding any other provision of the law to the contrary, the adoption of  
370 any tax increment financing authorized under sections 99.800 to 99.865 shall not supersede,  
371 alter, or reduce in any way a property tax levied under section 205.971.

372 **16. (1) Beginning January 1, 2026, for redevelopment plans and projects**  
373 **adopted or redevelopment projects approved by ordinance and that have complied with**  
374 **subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and**  
375 **economic activity taxes described in subsections 1, 2, and 3 of this section, up to fifty**  
376 **percent of the new state revenues estimated for the businesses within the project area**  
377 **and identified by the municipality in the application required by subsection 10 of this**  
378 **section, over and above the amount of such taxes reported by businesses within the**  
379 **project area as identified by the municipality in their application prior to the approval**  
380 **of the redevelopment project by ordinance, while tax increment financing remains in**  
381 **effect, shall be allocated to and paid by the local political subdivision collecting officer to**  
382 **the treasurer or other designated financial officer of the municipality, who shall deposit**  
383 **such funds in a separate segregated account within the special allocation fund.**

384           **(2) Notwithstanding any other provision of law to the contrary, the funds**  
385 **described in subdivision (1) of this subsection and used for redevelopment plans and**  
386 **projects shall be distributed to any political subdivision including, but not limited to, a**  
387 **neighborhood improvement district, ambulance district, fire district, library district, or**  
388 **school district, that levies a tax on each taxable lot, block, tract, or parcel of real**  
389 **property within such project area and that would have received a distribution of such**  
390 **revenues had the tax increment allocation financing authorized under this section not**  
391 **been adopted in such project area.**

✓