

HB 3395 -- INCENTIVES FOR DOWNTOWN REDEVELOPMENT

SPONSOR: Christ

The bill establishes the "Missouri Downtown Rural Economic Stimulus Act Extension Act".

This bill allows development areas and development project areas approved under the Missouri Downtown Rural Economic Stimulus Act (MODESA) to be modified. Any debt obligations issued to carry out a development project will be extended to 35 years. Further, 100% of payments in lieu of taxes and 85% percent of economic activity taxes generated in relation to an expanded development project must be used each year of the approved term to support development project costs. An office displacement and retail or restaurant displacement percentage will not apply to an expanded development project.

The bill requires the Department of Economic Development to disburse the state construction income tax increment to support development project costs. Such disbursements must cease within 180 days of the date on which the Department determines that the construction of the expanded development project is complete and has opened to the public.

The Department will disburse the residential income tax increment to support development project costs for a period not to exceed 35 years. The developer must elect how to calculate the amount of such disbursement.

A developer will apply to the Department for approval of an expanded development project, as described in the bill.

The bill authorizes the Department to promulgate temporary rules that will expire no later than two years following the publication of the temporary rules. Thereafter, such rules will be promulgated as provided in current law.