

SENATE BILL NO. 874

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

3325S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 99.805, RSMo, and to enact in lieu thereof one new section relating to tax increment financing.

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

Section A. Section 99.805, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 99.805,
3 to read as follows:

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

4 (1) "Blighted area", an area which, by reason of the
5 predominance of insanitary or unsafe conditions,
6 deterioration of site improvements, or the existence of
7 conditions which endanger life or property by fire and other
8 causes, or any combination of such factors, retards the
9 provision of housing accommodations or constitutes an
10 economic or social liability or a menace to the public
11 health, safety, or welfare in its present condition and use;

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

16 (3) "Conservation area", any improved area within the
17 boundaries of a redevelopment area located within the
18 territorial limits of a municipality in which fifty percent

19 or more of the structures in the area have an age of thirty-
20 five years or more. Such an area is not yet a blighted area
21 but is detrimental to the public health, safety, or welfare
22 and may become a blighted area because of any one or more of
23 the following factors: dilapidation; obsolescence;
24 deterioration; illegal use of individual structures;
25 presence of structures below minimum code standards;
26 abandonment; excessive vacancies; overcrowding of structures
27 and community facilities; lack of ventilation, light or
28 sanitary facilities; inadequate utilities; excessive land
29 coverage; deleterious land use or layout; depreciation of
30 physical maintenance; and lack of community planning. A
31 conservation area shall meet at least three of the factors
32 provided in this subdivision for projects approved on or
33 after December 23, 1997. For all redevelopment plans and
34 projects approved on or after January 1, 2022, in retail
35 areas, a conservation area shall meet the dilapidation
36 factor as one of the three factors required under this
37 subdivision;

38 (4) "Economic activity taxes", the total additional
39 revenue from taxes which are imposed by a municipality and
40 other taxing districts, and which are generated by economic
41 activities within a redevelopment area over the amount of
42 such taxes generated by economic activities within such
43 redevelopment area in the calendar year prior to the
44 adoption of the ordinance designating such a redevelopment
45 area, while tax increment financing remains in effect, but
46 excluding personal property taxes, taxes imposed on sales or
47 charges for sleeping rooms paid by transient guests of
48 hotels and motels, licenses, fees or special assessments.
49 For redevelopment projects or redevelopment plans approved
50 after December 23, 1997, if a retail establishment relocates

51 within one year from one facility to another facility within
52 the same county and the governing body of the municipality
53 finds that the relocation is a direct beneficiary of tax
54 increment financing, then for purposes of this definition,
55 the economic activity taxes generated by the retail
56 establishment shall equal the total additional revenues from
57 economic activity taxes which are imposed by a municipality
58 or other taxing district over the amount of economic
59 activity taxes generated by the retail establishment in the
60 calendar year prior to its relocation to the redevelopment
61 area;

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

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

72 (b) Result in increased employment in the
73 municipality; or

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

76 (6) "Gambling establishment", an excursion gambling
77 boat as defined in section 313.800 and any related business
78 facility including any real property improvements which are
79 directly and solely related to such business facility, whose
80 sole purpose is to provide goods or services to an excursion
81 gambling boat and whose majority ownership interest is held
82 by a person licensed to conduct gambling games on an

83 excursion gambling boat or licensed to operate an excursion
84 gambling boat as provided in sections 313.800 to 313.850.
85 This subdivision shall be applicable only to a redevelopment
86 area designated by ordinance adopted after December 23, 1997;

87 (7) "Greenfield area", any vacant, unimproved, or
88 agricultural property that is located wholly outside the
89 incorporated limits of a city, town, or village, or that is
90 substantially surrounded by contiguous properties with
91 agricultural zoning classifications or uses unless said
92 property was annexed into the incorporated limits of a city,
93 town, or village ten years prior to the adoption of the
94 ordinance approving the redevelopment plan for such
95 greenfield area;

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

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

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

110 (11) "Payment in lieu of taxes", those estimated
111 revenues from real property in the area selected for a
112 redevelopment project, which revenues according to the
113 redevelopment project or plan are to be used for a private
114 use, which taxing districts would have received had a

115 municipality not adopted tax increment allocation financing,
116 and which would result from levies made after the time of
117 the adoption of tax increment allocation financing during
118 the time the current equalized value of real property in the
119 area selected for the redevelopment project exceeds the
120 total initial equalized value of real property in such area
121 until the designation is terminated pursuant to subsection 2
122 of section 99.850;

123 (12) "Port infrastructure project", docks and
124 associated equipment, cargo and passenger terminals, storage
125 warehouses, or any other similar infrastructure directly
126 related to port facilities located in a port district
127 created pursuant to the provisions of chapter 68 and located
128 within one-half of one mile of a navigable waterway;

129 (13) "Redevelopment area", an area designated by a
130 municipality, in respect to which the municipality has made
131 a finding that there exist conditions which cause the area
132 to be classified as a blighted area, a conservation area, an
133 economic development area, an enterprise zone pursuant to
134 sections 135.200 to 135.256, or a combination thereof, which
135 area includes only those parcels of real property directly
136 and substantially benefitted by the proposed redevelopment
137 project. **No taxable real property shall be included in a**
138 **redevelopment area if the school district levying taxes on**
139 **such property determines by resolution adopted within thirty**
140 **days following the conclusion of a hearing conducted**
141 **pursuant to section 99.825 that the proposed redevelopment**
142 **area will have an adverse effect on such school district.**
143 **The school district shall deliver a copy of such resolution**
144 **to the municipality establishing the redevelopment area.**
145 **The municipality shall within thirty days of receipt of such**

146 **resolution pass an ordinance removing such property from the**
147 **redevelopment area or terminating the redevelopment area;**

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

157 (15) "Redevelopment project", any development project
158 within a redevelopment area in furtherance of the objectives
159 of the redevelopment plan; any such redevelopment project
160 shall include a legal description of the area selected for
161 the redevelopment project;

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

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

169 (b) Professional service costs, including, but not
170 limited to, architectural, engineering, legal, marketing,
171 financial, planning or special services. Except the
172 reasonable costs incurred by the commission established in
173 section 99.820 for the administration of sections 99.800 to
174 99.865, such costs shall be allowed only as an initial
175 expense which, to be recoverable, shall be included in the
176 costs of a redevelopment plan or project;

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

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

181 b. Demolition of buildings; and

182 c. The clearing and grading of land;

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

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

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

188 (g) Financing costs, including, but not limited to,
189 all necessary and incidental expenses related to the
190 issuance of obligations, and which may include payment of
191 interest on any obligations issued pursuant to sections
192 99.800 to 99.865 accruing during the estimated period of
193 construction of any redevelopment project for which such
194 obligations are issued and for not more than eighteen months
195 thereafter, and including reasonable reserves related
196 thereto;

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

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

206 (j) Payments in lieu of taxes;

207 (17) "Retail area", a proposed redevelopment building
208 area for which more than fifty percent of the usable

209 building square footage in the area is projected to be used
210 by retail businesses, which shall be businesses that
211 primarily sell or offer to sell goods to a buyer primarily
212 for the buyer's personal, family, or household use and not
213 primarily for business, commercial, or agricultural use;

214 (18) "Retail infrastructure projects", highways,
215 roads, streets, bridges, sewers, traffic control systems and
216 devices, water distribution and supply systems, curbing,
217 sidewalks, storm water and drainage systems, or any other
218 similar public improvements, but in no case shall retail
219 infrastructure projects include private structures;

220 (19) "Special allocation fund", the fund of a
221 municipality or its commission which contains at least two
222 separate segregated accounts for each redevelopment plan,
223 maintained by the treasurer of the municipality or the
224 treasurer of the commission into which payments in lieu of
225 taxes are deposited in one account, and economic activity
226 taxes and other revenues are deposited in the other account;

227 (20) "Taxing districts", any political subdivision of
228 this state having the power to levy taxes;

229 (21) "Taxing districts' capital costs", those costs of
230 taxing districts for capital improvements that are found by
231 the municipal governing bodies to be necessary and to
232 directly result from the redevelopment project; and

233 (22) "Vacant land", any parcel or combination of
234 parcels of real property not used for industrial,
235 commercial, or residential buildings.

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