

SECOND REGULAR SESSION

SENATE BILL NO. 1040

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BARNITZ.

Read 1st time February 13, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

3205S.02I

AN ACT

To repeal sections 67.1401, 99.320, 99.805, 100.310, and 353.020, RSMo, and to enact in lieu thereof eight new sections relating to real estate.

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

Section A. Sections 67.1401, 99.320, 99.805, 100.310, and 353.020, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 67.1401, 99.320, 99.805, 100.310, 353.020, 523.095, 523.110, and 523.115, to read as follows:

67.1401. 1. Sections 67.1401 to 67.1571 shall be known and may be cited as the "Community Improvement District Act".

2. For the purposes of sections 67.1401 to 67.1571, the following words and terms mean:

(1) "Approval" or "approve", for purposes of elections pursuant to sections 67.1401 to 67.1571, a simple majority of those qualified voters voting in the election;

(2) "Assessed value", the assessed value of real property as reflected on the tax records of the county clerk of the county in which the property is located, or the collector of revenue if the property is located in a city not within a county, as of the last completed assessment;

(3) "Blighted area", an area which:

(a) By reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 liability or a menace to the public health, safety, morals or welfare in its present
19 condition and use; or

20 (b) Has been declared blighted or found to be a blighted area pursuant to
21 Missouri law including, but not limited to, chapter 353, RSMo, sections 99.800 to
22 99.865, RSMo, or sections 99.300 to 99.715, RSMo. **However, the fact that a**
23 **different use of a specific piece of property or properties would provide**
24 **a higher level of tax revenue or economic liability or that the land is**
25 **economically underutilized shall not be a valid factor in determining**
26 **blight. Property that has a primary use as agricultural land as defined**
27 **under section 442.566, RSMo, or is subject to a wildlife restoration or**
28 **conservation program shall not be subject to a finding of blight;**

29 (4) "Board", if the district is a political subdivision, the board of directors
30 of the district, or if the district is a not-for-profit corporation, the board of
31 directors of such corporation;

32 (5) "Director of revenue", the director of the department of revenue of the
33 state of Missouri;

34 (6) "District", a community improvement district, established pursuant to
35 sections 67.1401 to 67.1571;

36 (7) "Election authority", the election authority having jurisdiction over the
37 area in which the boundaries of the district are located pursuant to chapter 115,
38 RSMo;

39 (8) "Municipal clerk", the clerk of the municipality;

40 (9) "Municipality", any city, village, incorporated town, or county of this
41 state, or in any unincorporated area that is located in any county with a charter
42 form of government and with more than one million inhabitants;

43 (10) "Obligations", bonds, loans, debentures, notes, special certificates, or
44 other evidences of indebtedness issued by a district to carry out any of its powers,
45 duties or purposes or to refund outstanding obligations;

46 (11) "Owner", for real property, the individual or individuals or entity or
47 entities who own a fee interest in real property that is located within the district
48 or their legally authorized representative; for business organizations and other
49 entities, the owner shall be deemed to be the individual which is legally
50 authorized to represent the entity in regard to the district;

51 (12) "Per capita", one head count applied to each individual, entity or
52 group of individuals or entities having fee ownership of real property within the
53 district whether such individual, entity or group owns one or more parcels of real

54 property in the district as joint tenants, tenants in common, tenants by the
55 entirety or tenants in partnership;

56 (13) "Petition", a petition to establish a district as it may be amended in
57 accordance with the requirements of section 67.1421;

58 (14) "Qualified voters",

59 (a) For purposes of elections for approval of real property taxes:

60 a. Registered voters; or

61 b. If no registered voters reside in the district, the owners of one or more
62 parcels of real property which is to be subject to such real property taxes and is
63 located within the district per the tax records for real property of the county
64 clerk, or the collector of revenue if the district is located in a city not within a
65 county, as of the thirtieth day prior to the date of the applicable election;

66 (b) For purposes of elections for approval of business license taxes or sales
67 taxes:

68 a. Registered voters; or

69 b. If no registered voters reside in the district, the owners of one or more
70 parcels of real property located within the district per the tax records for real
71 property of the county clerk as of the thirtieth day before the date of the
72 applicable election; and

73 (c) For purposes of the election of directors of the board, registered voters
74 and owners of real property which is not exempt from assessment or levy of taxes
75 by the district and which is located within the district per the tax records for real
76 property of the county clerk, or the collector of revenue if the district is located
77 in a city not within a county, of the thirtieth day prior to the date of the
78 applicable election; and

79 (15) "Registered voters", persons who reside within the district and who
80 are qualified and registered to vote pursuant to chapter 115, RSMo, pursuant to
81 the records of the election authority as of the thirtieth day prior to the date of the
82 applicable election.

99.320. As used in this law, the following terms mean:

2 (1) "Area of operation", in the case of a municipality, the area within the
3 municipality except that the area of operation of a municipality under this law
4 shall not include any area which lies within the territorial boundaries of another
5 municipality unless a resolution has been adopted by the governing body of the
6 other municipality declaring a need therefor; and in the case of a county, the area
7 within the county, except that the area of operation in such case shall not include

8 any area which lies within the territorial boundaries of a municipality unless a
9 resolution has been adopted by the governing body of the municipality declaring
10 a need therefor; and in the case of a regional authority, the area within the
11 communities for which the regional authority is created, except that a regional
12 authority shall not undertake a land clearance project within the territorial
13 boundaries of any municipality unless a resolution has been adopted by the
14 governing body of the municipality declaring that there is a need for the regional
15 authority to undertake the land clearance project within such municipality; no
16 authority shall operate in any area of operation in which another authority
17 already established is undertaking or carrying out a land clearance project
18 without the consent, by resolution, of the other authority;

19 (2) "Authority" or "land clearance for redevelopment authority", a public
20 body corporate and politic created by or pursuant to section 99.330 or any other
21 public body exercising the powers, rights and duties of such an authority;

22 (3) "Blighted area", an area which, by reason of the predominance of
23 defective or inadequate street layout, insanitary or unsafe conditions,
24 deterioration of site improvements, improper subdivision or obsolete platting, or
25 the existence of conditions which endanger life or property by fire and other
26 causes, or any combination of such factors, retards the provision of housing
27 accommodations or constitutes an economic or social liability or a menace to the
28 public health, safety, morals, or welfare in its present condition and use. **The**
29 **fact that a different use of a specific piece of property or properties**
30 **would provide a higher level of tax revenue or economic liability or**
31 **that the land is economically underutilized shall not be a valid factor**
32 **in determining blight. Property that has a primary use as agricultural**
33 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
34 **restoration or conservation program shall not be subject to a finding**
35 **of blight;**

36 (4) "Bond", any bonds, including refunding bonds, notes, interim
37 certificates, debentures, or other obligations issued by an authority pursuant to
38 this law;

39 (5) "Clerk", the clerk or other official of the municipality or county who is
40 the custodian of the official records of the municipality or county;

41 (6) "Community", any county or municipality except that such term shall
42 not include any municipality containing less than seventy-five thousand
43 inhabitants until the governing body thereof shall have submitted the proposition

44 of accepting the provisions of this law to the qualified voters therein at an
45 election called and held as provided by law for the incurring of indebtedness by
46 such municipality, and a majority of the voters voting at the election shall have
47 voted in favor of such proposition;

48 (7) "Federal government", the United States of America or any agency or
49 instrumentality, corporate or otherwise, of the United States of America;

50 (8) "Governing body", the city council, common council, board of aldermen
51 or other legislative body charged with governing the municipality or the county
52 commission or other legislative body charged with governing the county;

53 (9) "Insanitary area", an area in which there is a predominance of
54 buildings and improvements which, by reason of dilapidation, deterioration, age
55 or obsolescence, inadequate provision for ventilation, light, air sanitation or open
56 spaces, high density of population and overcrowding of buildings, overcrowding
57 of land, or the existence of conditions which endanger life or property by fire and
58 other causes, or any combination of such factors, is conducive to ill health,
59 transmission of disease, infant mortality, juvenile delinquency and crime or
60 constitutes [an economic or] a social liability and is detrimental to the public
61 health, safety, morals, or welfare. **The fact that a different use of a specific**
62 **piece of property or properties would provide a higher level of tax**
63 **revenue or economic liability or that the land is economically**
64 **underutilized shall not be a valid factor in determining that an area is**
65 **an insanitary area. Property that has a primary use as agricultural**
66 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
67 **restoration or conservation program shall not be subject to a finding**
68 **that the area is an insanitary area;**

69 (10) "Land clearance project", any work or undertaking:

70 (a) To acquire blighted, or insanitary areas or portions thereof, including
71 lands, structures, or improvements the acquisition of which is necessary or
72 incidental to the proper clearance, development or redevelopment of the blighted
73 or insanitary areas or to the prevention of the spread or recurrence of
74 substandard or insanitary conditions or conditions of blight;

75 (b) To clear any such areas by demolition or removal of existing buildings,
76 structures, streets, utilities or other improvements thereon and to install,
77 construct or reconstruct streets, utilities, and site improvements essential to the
78 preparation of sites for uses in accordance with a redevelopment plan;

79 (c) To sell, lease or otherwise make available land in such areas for

80 residential, recreational, commercial, industrial or other use or for public use or
81 to retain such land for public use, in accordance with a redevelopment plan;

82 (d) To develop, construct, reconstruct, rehabilitate, repair or improve
83 residences, houses, buildings, structures and other facilities;

84 (e) The term "land clearance project" may also include the preparation of
85 a redevelopment plan, the planning, survey and other work incident to a land
86 clearance project and the preparation of all plans and arrangements for carrying
87 out a land clearance project and wherever the words "land clearance project" are
88 used in this law, they shall also mean and include the words "urban renewal
89 project" as defined in this section;

90 (11) "Mayor", the elected mayor of the city or the elected officer having the
91 duties customarily imposed upon the mayor of the city or the executive head of
92 a county;

93 (12) "Municipality", any incorporated city, town or village in the state;

94 (13) "Obligee", any bondholders, agents or trustees for any bondholders,
95 lessor demising to the authority property used in connection with land clearance
96 project, or any assignee or assignees of the lessor's interest or any part thereof,
97 and the federal government when it is a party to any contract with the authority;

98 (14) "Person", any individual, firm, partnership, corporation, company,
99 association, joint stock association, or body politic; and shall include any trustee,
100 receiver, assignee, or other similar representative thereof;

101 (15) "Public body", the state or any municipality, county, township, board,
102 commission, authority, district, or any other subdivision of the state;

103 (16) "Real property", all lands, including improvements and fixtures
104 thereon, and property of any nature appurtenant thereto, or used in connection
105 therewith, and every estate, interest and right, legal or equitable, therein,
106 including terms for years and liens by way of judgment, mortgage or otherwise
107 and the indebtedness secured by such liens;

108 (17) "Redeveloper", any person, partnership, or public or private
109 corporation or agency which enters or proposes to enter into a redevelopment or
110 rehabilitation or renewal contract;

111 (18) "Redevelopment contract", a contract entered into between an
112 authority and redeveloper for the redevelopment, rehabilitation or renewal of an
113 area in conformity with a redevelopment plan or an urban renewal plan;

114 (19) "Redevelopment", the process of undertaking and carrying out a
115 redevelopment plan or urban renewal plan;

116 (20) "Redevelopment plan", a plan other than a preliminary or tentative
117 plan for the acquisition, clearance, reconstruction, rehabilitation, renewal or
118 future use of a land clearance project area, and shall be sufficiently complete to
119 comply with subdivision (4) of section 99.430 and shall be in compliance with a
120 "workable program" for the city as a whole and wherever used in sections 99.300
121 to 99.660 the words "redevelopment plan" shall also mean and include "urban
122 renewal plan" as defined in this section;

123 (21) "Urban renewal plan", a plan as it exists from time to time, for an
124 urban renewal project, which plan shall conform to the general plan for the
125 municipality as a whole; and shall be sufficiently complete to indicate such land
126 acquisition, demolition and removal of structures, redevelopment, improvements,
127 and rehabilitation as may be proposed to be carried out in the area of the urban
128 renewal project, zoning and planning changes, if any, land uses, maximum
129 densities, building requirements, and the relationship of the plan to definite local
130 objectives respecting appropriate land uses, improved traffic, public
131 transportation, public utilities, recreational and community facilities, and other
132 public improvements; an urban renewal plan shall be prepared and approved
133 pursuant to the same procedure as provided with respect to a redevelopment
134 plan;

135 (22) "Urban renewal project", any surveys, plans, undertakings and
136 activities for the elimination and for the prevention of the spread or development
137 of insanitary, blighted, deteriorated or deteriorating areas and may involve any
138 work or undertaking for such purpose constituting a land clearance project or any
139 rehabilitation or conservation work, or any combination of such undertaking or
140 work in accordance with an urban renewal project; for this purpose,
141 "rehabilitation or conservation work" may include:

142 (a) Carrying out plans for a program of voluntary or compulsory repair
143 and rehabilitation of buildings or other improvements;

144 (b) Acquisition of real property and demolition, removal or rehabilitation
145 of buildings and improvements thereon where necessary to eliminate unhealthful,
146 insanitary or unsafe conditions, lessen density, eliminate uneconomic, obsolete
147 or other uses detrimental to the public welfare, or to otherwise remove or prevent
148 the spread of blight or deterioration, or to provide land for needed public
149 facilities;

150 (c) To develop, construct, reconstruct, rehabilitate, repair or improve
151 residences, houses, buildings, structures and other facilities;

152 (d) Installation, construction, or reconstruction of streets, utilities, parks,
153 playgrounds, and other improvements necessary for carrying out the objectives
154 of the urban renewal project; and

155 (e) The disposition, for uses in accordance with the objectives of the urban
156 renewal project, of any property or part thereof acquired in the area of the
157 project; but such disposition shall be in the manner prescribed in this law for the
158 disposition of property in a land clearance project area;

159 (23) "Workable program", an official plan of action, as it exists from time
160 to time, for effectively dealing with the problem in insanitary, blighted,
161 deteriorated or deteriorating areas within the community and for the
162 establishment and preservation of a well-planned community with well-organized
163 residential neighborhoods of decent homes and suitable living environment for
164 adequate family life, for utilizing appropriate private and public resources to
165 eliminate and prevent the development or spread of insanitary, blighted,
166 deteriorated or deteriorating areas, to encourage needed urban rehabilitation, to
167 provide for the redevelopment of blighted, insanitary, deteriorated and
168 deteriorating areas, or to undertake such of the aforesaid activities or other
169 feasible community activities as may be suitably employed to achieve the
170 objectives of such a program.

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

3 (1) "Blighted area", an area which, by reason of the predominance of
4 defective or inadequate street layout, unsanitary or unsafe conditions,
5 deterioration of site improvements, improper subdivision or obsolete platting, or
6 the existence of conditions which endanger life or property by fire and other
7 causes, or any combination of such factors, retards the provision of housing
8 accommodations or constitutes an economic or social liability or a menace to the
9 public health, safety, morals, or welfare in its present condition and use. **The**
10 **fact that a different use of a specific piece of property or properties**
11 **would provide a higher level of tax revenue or economic liability or**
12 **that the land is economically underutilized shall not be a valid factor**
13 **in determining blight. Property that has a primary use as agricultural**
14 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
15 **restoration or conservation program shall not be subject to a finding**
16 **of blight;**

17 (2) "Collecting officer", the officer of the municipality responsible for

18 receiving and processing payments in lieu of taxes or economic activity taxes from
19 taxpayers or the department of revenue;

20 (3) "Conservation area", any improved area within the boundaries of a
21 redevelopment area located within the territorial limits of a municipality in which
22 fifty percent or more of the structures in the area have an age of thirty-five years
23 or more. Such an area is not yet a blighted area but is detrimental to the public
24 health, safety, morals, or welfare and may become a blighted area because of any
25 one or more of the following factors: dilapidation; obsolescence; deterioration;
26 illegal use of individual structures; presence of structures below minimum code
27 standards; abandonment; excessive vacancies; overcrowding of structures and
28 community facilities; lack of ventilation, light or sanitary facilities; inadequate
29 utilities; excessive land coverage; deleterious land use or layout; depreciation of
30 physical maintenance; and lack of community planning. A conservation area
31 shall meet at least three of the factors provided in this subdivision for projects
32 approved on or after December 23, 1997. **The fact that a different use of a**
33 **specific piece of property or properties would provide a higher level of**
34 **tax revenue or economic liability or that the land is economically**
35 **underutilized shall not be a valid factor in determining that an area is**
36 **a conservation area. Property that has a primary use as agricultural**
37 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
38 **restoration or conservation program shall not be subject to a finding**
39 **that it is a conservation area;**

40 (4) "Economic activity taxes", the total additional revenue from taxes
41 which are imposed by a municipality and other taxing districts, and which are
42 generated by economic activities within a redevelopment area over the amount
43 of such taxes generated by economic activities within such redevelopment area
44 in the calendar year prior to the adoption of the ordinance designating such a
45 redevelopment area, while tax increment financing remains in effect, but
46 excluding personal property taxes, taxes imposed on sales or charges for sleeping
47 rooms paid by transient guests of hotels and motels, licenses, fees or special
48 assessments. For redevelopment projects or redevelopment plans approved after
49 December 23, 1997, if a retail establishment relocates within one year from one
50 facility to another facility within the same county and the governing body of the
51 municipality finds that the relocation is a direct beneficiary of tax increment
52 financing, then for purposes of this definition, the economic activity taxes
53 generated by the retail establishment shall equal the total additional revenues

54 from economic activity taxes which are imposed by a municipality or other taxing
55 district over the amount of economic activity taxes generated by the retail
56 establishment in the calendar year prior to its relocation to the redevelopment
57 area;

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

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

66 (b) Result in increased employment in the municipality; [or

67 (c) Result in preservation or enhancement of the tax base of the
68 municipality;]

69 **The fact that a different use of a specific piece of property or**
70 **properties would provide a higher level of tax revenue or economic**
71 **liability or that the land is economically underutilized shall not be a**
72 **valid factor in determining that an area is an economic development**
73 **area. Property that has a primary use as agricultural land as defined**
74 **under section 442.566, RSMo, or is subject to a wildlife restoration or**
75 **conservation program shall not be subject to a finding that it**
76 **constitutes an economic development area;**

77 (6) "Gambling establishment", an excursion gambling boat as defined in
78 section 313.800, RSMo, and any related business facility including any real
79 property improvements which are directly and solely related to such business
80 facility, whose sole purpose is to provide goods or services to an excursion
81 gambling boat and whose majority ownership interest is held by a person licensed
82 to conduct gambling games on an excursion gambling boat or licensed to operate
83 an excursion gambling boat as provided in sections 313.800 to 313.850,
84 RSMo. This subdivision shall be applicable only to a redevelopment area
85 designated by ordinance adopted after December 23, 1997;

86 (7) "Municipality", a city, village, or incorporated town or any county of
87 this state. For redevelopment areas or projects approved on or after December
88 23, 1997, "municipality" applies only to cities, villages, incorporated towns or
89 counties established for at least one year prior to such date;

90 (8) "Obligations", bonds, loans, debentures, notes, special certificates, or
91 other evidences of indebtedness issued by a municipality to carry out a
92 redevelopment project or to refund outstanding obligations;

93 (9) "Ordinance", an ordinance enacted by the governing body of a city,
94 town, or village or a county or an order of the governing body of a county whose
95 governing body is not authorized to enact ordinances;

96 (10) "Payment in lieu of taxes", those estimated revenues from real
97 property in the area selected for a redevelopment project, which revenues
98 according to the redevelopment project or plan are to be used for a private use,
99 which taxing districts would have received had a municipality not adopted tax
100 increment allocation financing, and which would result from levies made after the
101 time of the adoption of tax increment allocation financing during the time the
102 current equalized value of real property in the area selected for the
103 redevelopment project exceeds the total initial equalized value of real property
104 in such area until the designation is terminated pursuant to subsection 2 of
105 section 99.850;

106 (11) "Redevelopment area", an area designated by a municipality, in
107 respect to which the municipality has made a finding that there exist conditions
108 which cause the area to be classified as a blighted area, a conservation area, an
109 economic development area, an enterprise zone pursuant to sections 135.200 to
110 135.256, RSMo, or a combination thereof, which area includes only those parcels
111 of real property directly and substantially benefited by the proposed
112 redevelopment project;

113 (12) "Redevelopment plan", the comprehensive program of a municipality
114 for redevelopment intended by the payment of redevelopment costs to reduce or
115 eliminate those conditions, the existence of which qualified the redevelopment
116 area as a blighted area, conservation area, economic development area, or
117 combination thereof, and to thereby enhance the tax bases of the taxing districts
118 which extend into the redevelopment area. Each redevelopment plan shall
119 conform to the requirements of section 99.810;

120 (13) "Redevelopment project", any development project within a
121 redevelopment area in furtherance of the objectives of the redevelopment plan;
122 any such redevelopment project shall include a legal description of the area
123 selected for the redevelopment project;

124 (14) "Redevelopment project costs" include the sum total of all reasonable
125 or necessary costs incurred or estimated to be incurred, and any such costs

126 incidental to a redevelopment plan or redevelopment project, as applicable. Such
127 costs include, but are not limited to, the following:

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

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

135 (c) Property assembly costs, including, but not limited to, acquisition of
136 land and other property, real or personal, or rights or interests therein,
137 demolition of buildings, and the clearing and grading of land;

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

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

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

142 (g) Financing costs, including, but not limited to, all necessary and
143 incidental expenses related to the issuance of obligations, and which may include
144 payment of interest on any obligations issued pursuant to sections 99.800 to
145 99.865 accruing during the estimated period of construction of any redevelopment
146 project for which such obligations are issued and for not more than eighteen
147 months thereafter, and including reasonable reserves related thereto;

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

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

154 (j) Payments in lieu of taxes;

155 (15) "Special allocation fund", the fund of a municipality or its commission
156 which contains at least two separate segregated accounts for each redevelopment
157 plan, maintained by the treasurer of the municipality or the treasurer of the
158 commission into which payments in lieu of taxes are deposited in one account,
159 and economic activity taxes and other revenues are deposited in the other
160 account;

161 (16) "Taxing districts", any political subdivision of this state having the

162 power to levy taxes;

163 (17) "Taxing districts' capital costs", those costs of taxing districts for
164 capital improvements that are found by the municipal governing bodies to be
165 necessary and to directly result from the redevelopment project; and

166 (18) "Vacant land", any parcel or combination of parcels of real property
167 not used for industrial, commercial, or residential buildings.

100.310. As used in this law, the following words and terms mean:

2 (1) "Authority", a public body corporate and politic created by or pursuant
3 to sections of this law or any other public body exercising the powers, rights and
4 duties of such an authority;

5 (2) "Blighted area", an area which, by reason of the predominance of
6 defective or inadequate street layout, insanitary or unsafe conditions,
7 deterioration of site improvements, improper subdivision or obsolete platting, or
8 the existence of conditions which endanger life or property by fire and other
9 causes, or any combination of such factors, retards the provision of housing
10 accommodations or constitutes an economic or social liability or a menace to the
11 public health, safety, morals or welfare in its present condition and use. **The**
12 **fact that a different use of a specific piece of property or properties**
13 **would provide a higher level of tax revenue or economic liability or**
14 **that the land is economically underutilized shall not be a valid factor**
15 **in determining blight. Property that has a primary use as agricultural**
16 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
17 **restoration or conservation program shall not be subject to a finding**
18 **of blight;**

19 (3) "Bond", any bonds, including refunding bonds, notes, interim
20 certificates, debentures or other obligations issued by an authority pursuant to
21 this law;

22 (4) "City", all cities of this state now having or which hereafter have four
23 hundred thousand inhabitants or more according to the last decennial census of
24 the United States or any city that has adopted a home rule charter pursuant to
25 section 19 of article VI of the Missouri Constitution;

26 (5) "Clerk", the official custodian of records of the city;

27 (6) "Federal government", the United States of America or any agency or
28 instrumentality corporate or otherwise of the United States of America;

29 (7) "Governing body", the city council, common council, board of aldermen
30 or other legislative body charged with governing the municipality;

31 (8) "Industrial developer", any person, partnership or public or private
32 corporation or agency which enters or proposes to enter into an industrial
33 development contract;

34 (9) "Industrial development", the acquisition, clearance, grading,
35 improving, preparing of land for industrial and commercial development and use
36 and the construction, reconstruction, purchase, repair of industrial and
37 commercial improvements, buildings, plants, additions, stores, shops, shopping
38 centers, office buildings, hotels and motels and parking garages, multi-family
39 housing facilities, warehouses, distribution centers, machines, fixtures, structures
40 and other facilities relating to industrial and commercial use in blighted,
41 insanitary or undeveloped industrial areas; and the existing merchants, residents,
42 and present businesses shall have the first option to redevelop the area under
43 this act;

44 (10) "Industrial development contract", a contract entered into between
45 an authority and an industrial developer for the industrial development of an
46 area in conformity with a plan;

47 (11) "Insanitary area", an area in which there is a predominance of
48 buildings and improvements which, by reason of dilapidation, deterioration, age
49 or obsolescence, inadequate provision for ventilation, light, air, sanitation or open
50 spaces, high density of population and overcrowding of buildings, overcrowding
51 of land, or the existence of conditions which endanger life or property by fire and
52 other causes, or any combination of such factors, is conducive to ill health,
53 transmission of disease, infant mortality, juvenile delinquency and crime or
54 constitutes [an economic or] a social liability and is detrimental to the public
55 health, safety, morals or welfare. **The fact that a different use of a specific**
56 **piece of property or properties would provide a higher level of tax**
57 **revenue or economic liability or that the land is economically**
58 **underutilized shall not be a valid factor in determining that an area is**
59 **an insanitary area. Property that has a primary use as agricultural**
60 **land as defined under section 442.566, RSMo, or is subject to a wildlife**
61 **restoration or conservation program shall not be subject to a finding**
62 **that the area is an insanitary area;**

63 (12) "Obligee", any bondholders, agents or trustees for any bondholders,
64 lessor demising to the authority property used in connection with industrial
65 clearance project, or any assignee or assignees of the lessor's interest or any part
66 thereof, and the federal government when it is a party to any contract with the

67 authority;

68 (13) "Person", any individual, firm, partnership, corporation, company,
69 association, joint stock association, or body politic; and shall include any trustee,
70 receiver, assignee or other similar representative thereof;

71 (14) "Plan", a plan as it exists from time to time for the orderly carrying
72 on of a project of industrial development;

73 (15) "Project", any work or undertaking:

74 (a) To acquire blighted, insanitary and undeveloped industrial areas or
75 portions thereof including lands, structures or improvements the acquisition of
76 which is necessary or incidental to the proper industrial development of the
77 blighted, insanitary and undeveloped industrial areas or to prevent the spread
78 or recurrence of conditions of blight, insanitary or undevelopment;

79 (b) To clear any such areas by demolition or removal of existing buildings,
80 structures, streets, utilities or other improvements thereon and to install,
81 construct or reconstruct streets, utilities and site improvements essential to the
82 preparation of sites for uses in accordance with a plan;

83 (c) To construct, reconstruct, remodel, repair, improve, install
84 improvements, buildings, plants, additions, stores, shops, shopping centers, office
85 buildings, hotels and motels and parking garages, multi-family housing facilities,
86 warehouses, distribution centers, machines, fixtures, structures and other
87 facilities related to industrial and commercial uses;

88 (d) To sell, lease or otherwise make available land in such areas for
89 industrial and commercial or related use or to retain such land for public use, in
90 accordance with a plan;

91 (16) "Public body", the state or any municipality, county, township, board,
92 commission, authority, district or any other subdivision of the state;

93 (17) "Real property", all lands, including improvements and fixtures
94 thereon, and property of any nature appurtenant thereto, or used in connection
95 therewith, and every estate, interest and right, legal or equitable, therein,
96 including terms for years and liens by way of judgment, mortgage or otherwise
97 and the indebtedness secured by such liens;

98 (18) "Undeveloped industrial area", any area which, by reason of defective
99 and inadequate street layout or location of physical improvements, obsolescence,
100 and inadequate subdivision and platting, contains [vacant parcels of land not
101 used economically; contains] old, decaying, obsolete buildings, plants, stores,
102 shops, shopping centers, office buildings, hotels and motels and parking garages,

103 warehouses, distribution centers, structures; contains buildings, plants, stores,
104 shops, shopping centers, office buildings, hotels and motels and parking garages,
105 multi-family housing facilities, warehouses, distribution centers and structures
106 whose operation is not economically feasible; contains intermittent commercial
107 and industrial structures in a primarily industrial or commercial area; or
108 contains insufficient space for the expansion and efficient use of land for
109 industrial plants and commercial uses amounting to conditions which retard
110 economic or social growth, are [economic waste and] social liabilities and
111 represent [an inability to pay reasonable taxes to the] a detriment and injury of
112 the public health, safety, morals and welfare. **The fact that a different use**
113 **of a specific piece of property or properties would provide a higher**
114 **level of tax revenue or economic liability or that the land is**
115 **economically underutilized shall not be a valid factor in determining**
116 **whether an area is an undeveloped industrial area. Property that has**
117 **a primary use as agricultural land as defined under section 442.566,**
118 **RSMo, or is subject to a wildlife restoration or conservation program**
119 **shall not be subject to a finding that it is an undeveloped industrial**
120 **area.**

353.020. The following terms, whenever used or referred to in this
2 chapter, mean:

3 (1) "Area", that portion of the city which the legislative authority of such
4 city has found or shall find to be blighted so that the clearance, replanning,
5 rehabilitation, or reconstruction thereof is necessary to effectuate the purposes
6 of this law. Any such area may include buildings or improvements not in
7 themselves blighted, and any real property, whether improved or unimproved, the
8 inclusion of which is deemed necessary for the effective clearance, replanning,
9 reconstruction or rehabilitation of the area of which such buildings, improvements
10 or real property form a part;

11 (2) "Blighted area", that portion of the city within which the legislative
12 authority of such city determines that by reason of age, obsolescence, inadequate
13 or outmoded design or physical deterioration have become economic and social
14 liabilities, and that such conditions are conducive to ill health, transmission of
15 disease, crime [or inability to pay reasonable taxes]. **The fact that a different**
16 **use of a specific piece of property or properties would provide a higher**
17 **level of tax revenue or economic liability or that the land is**
18 **economically underutilized shall not be a valid factor in determining**

19 **blight. Property that has a primary use as agricultural land as defined**
20 **under section 442.566, RSMo, or is subject to a wildlife restoration or**
21 **conservation program shall not be subject to a finding of blight;**

22 (3) "City" or "such cities", any city within this state and any county of the
23 first classification with a charter form of government and a population of at least
24 nine hundred thousand inhabitants or any county with a charter form of
25 government and with more than six hundred thousand but less than seven
26 hundred thousand inhabitants. The county's authority pursuant to this chapter
27 shall be restricted to the unincorporated areas of such county;

28 (4) "Development plan", a plan, together with any amendments thereto,
29 for the development of all or any part of a blighted area, which is authorized by
30 the legislative authority of any such city;

31 (5) "Legislative authority", the city council or board of aldermen of the
32 cities affected by this chapter;

33 (6) "Mortgage", a mortgage, trust indenture, deed of trust, building and
34 loan contract, or other instrument creating a lien on real property, to secure the
35 payment of an indebtedness, and the indebtedness secured by any of them;

36 (7) "Real property" includes lands, buildings, improvements, land under
37 water, waterfront property, and any and all easements, franchises and
38 hereditaments, corporeal or incorporeal, and every estate, interest, privilege,
39 easement, franchise and right therein, or appurtenant thereto, legal or equitable,
40 including restrictions of record, created by plat, covenant or otherwise,
41 rights-of-way and terms for years;

42 (8) "Redevelopment", the clearance, replanning, reconstruction or
43 rehabilitation of any blighted area, and the provision for such industrial,
44 commercial, residential or public structures and spaces as may be appropriate,
45 including recreational and other facilities incidental or appurtenant thereto;

46 (9) "Redevelopment project", a specific work or improvement to effectuate
47 all or any part of a development plan;

48 (10) "Urban redevelopment corporation", a corporation organized pursuant
49 to this chapter; except that any life insurance company organized pursuant to the
50 laws of, or admitted to do business in, the state of Missouri may from time to
51 time within five years after April 23, 1946, undertake, alone or in conjunction
52 with, or as a lessee of any such life insurance company or urban redevelopment
53 corporation, a redevelopment project pursuant to this chapter, and shall, in its
54 operations with respect to any such redevelopment project, but not otherwise, be

55 deemed to be an urban redevelopment corporation for the purposes of this section
56 and sections 353.010, 353.040, 353.060 and 353.110 to 353.160.

523.095. 1. Notwithstanding any other provision of law to the
2 contrary, the state or any political subdivision thereof shall not
3 exercise the power of eminent domain to acquire property for the
4 purpose of economic development unless ten years have passed since
5 the time of the original authorized taking and the government offers
6 the original owner or his or her heirs or assigns the right of first
7 refusal to buy the property at the original condemnation price before
8 proceeding with the development.

9 2. For the purposes of this section, "economic development"
10 means any activity performed to increase tax revenue, tax base,
11 employment rates, or general economic health, when the activity does
12 not result in:

13 (1) The transfer of land to public ownership;

14 (2) The transfer of land to a private entity that is a common
15 carrier;

16 (3) The transfer of property to a public utility, rural electric
17 cooperative, or municipally owned utility;

18 (4) The transfer of land to a private entity that will remove a
19 blighted area, as defined in chapter 99, RSMo; or

20 (5) The lease of the property to private entities that occupy an
21 incidental area within a public project.

523.110. 1. When any entity with condemnation authority
2 negotiates with a property owner to acquire any property interest
3 which may eventually be acquired through formal condemnation
4 proceedings, the condemning entity shall provide the owner of the
5 property a form containing a written summary of the rights of an
6 owner of property to be acquired under this chapter via certified mail
7 return receipt requested. If the condemning entity does not supply the
8 owner of the real property with this form, a presumption shall exist
9 that any sale or contract entered into between the condemning entity
10 and the owner was not voluntary and the condemning entity may be
11 held responsible for any relief, if any, as the court may determine to be
12 appropriate considering all of the facts and circumstances, including,
13 but not limited to, an award of punitive damages.

14 2. Proof that the condemning entity supplied the owner of real

15 **property with the summary of rights set forth in subsection 1 of this**
16 **section may only be introduced by a signed notice of receipt via**
17 **certified mail by the landowner.**

208.115. 1. **Before proceeding to acquire any property interest**
2 **by condemnation, a condemning entity must give notice of such intent,**
3 **together with a description of the property interest to be acquired,**
4 **notice of the property owners' right to a hearing, and notice that the**
5 **decision determined at that hearing may be appealed to be heard by a**
6 **jury of peers, to anyone having an interest of record in the property**
7 **involved. Such notice shall advise that the condemning entity shall pay**
8 **the reasonable costs of an appraisal pursuant to subsection 2 of this**
9 **section. Such notice, however, need not be given to any of such persons**
10 **who cannot be found by the condemning entity upon the exercise of due**
11 **diligence. Upon receipt of such notice, such persons may employ an**
12 **appraiser of their choosing to appraise the property interest to be**
13 **acquired. The appraiser shall be a Missouri-certified general appraiser**
14 **bound by the Uniform Standards of Professional Appraisal Practice**
15 **(USPAP). In addition to following the USPAP, the appraiser also shall**
16 **consider the following factors:**

- 17 (1) **Comparable sales in the area;**
- 18 (2) **Appraisal value of like property in the area;**
- 19 (3) **Term of ownership of property by current owner;**
- 20 (4) **Current use of property and future use of property;**
- 21 (5) **Availability of like property in the area;**
- 22 (6) **Anticipated financial gain from proposed future use.**

23 **The value of the land or property actually taken shall be equal to the**
24 **fair market value with upward adjustments for the factors listed in**
25 **subdivisions (1) to (6) of this subsection. Within ninety days of the date**
26 **of such notice, such persons may submit to the condemning entity a**
27 **copy of such appraisal. The condemning entity shall, immediately upon**
28 **receipt thereof, submit to such persons copies of its appraisal, which**
29 **shall meet the same standards as required of the property owner's**
30 **appraisal. If the property interest is being acquired in relation to a**
31 **federal aid project, the appraisals submitted by the condemning entity**
32 **shall be those which have been approved by it pursuant to applicable**
33 **statutes and regulations, if such approval is required. All such**
34 **appraisals may be used by the parties to negotiate in good faith for the**

35 acquisition of the property interest, but only the condemning entity
36 shall be bound by such appraisals.

37 2. If an appraisal is submitted to the condemning entity in
38 accordance with the provisions of subsection 1 of this section, the
39 condemning entity shall pay the reasonable costs of such appraisal. If
40 more than one person is interested in the property sought to be
41 acquired and such persons cannot agree on an appraisal to be
42 submitted under subsection 1 of this section, the condemning entity
43 shall be relieved of any obligation imposed upon it to pay for such
44 appraisals as may be submitted to it pursuant to this section.

45 3. Nothing in this section shall be construed as limiting in any
46 way the obligation of the condemning entity to negotiate in good faith
47 for the acquisition of any property interest sought prior to instituting
48 eminent domain proceedings or as limiting in any way the discovery
49 rights of parties to condemnation proceedings.

50 4. Nothing in this section shall prevent the condemning entity
51 from complying with federal and state requirements to qualify the
52 authority for federal aid grants.

53 5. A condemning entity shall not make an offer to purchase the
54 property or property interest that is less than the fair market value the
55 condemning entity has established for the property or property interest
56 pursuant to the appraisal required in subsection 1 of this section. A
57 condemning entity need not make an offer in excess of that amount in
58 order to satisfy the requirement to negotiate in good faith unless a
59 reasonable person would find that the condemning entity wholly
60 disregarded the factors justifying an increase in appraised value under
61 subsection 1 of this section.

62 6. No later than ten days before the formal filing of a petition
63 under section 523.010, the condemning entity must make a written offer
64 to purchase the desired property or property interest in the form
65 prescribed in subsection 7 of this section.

66 7. The offer shall be substantially in the following form:
67 "..... (condemner) is authorized by (specific Missouri law granting
68 authorization) to obtain your property or an easement across your
69 property for certain public purposes..... needs (easement or other
70 property interest) across your property and needs to take (legal
71 description of the property or easement to be taken; the legal

72 description may be made on a separate sheet and attached to this
73 document if additional space is required).

74 It is your opinion that the fair market value of the(property or
75 easement) that (condemner) seeks to acquire is \$....., and, therefore,
76(condemner) offers you \$....., for the above described(property
77 or easement). You have ten days from(date of offer) to accept this
78 offer. If you do not accept, (condemner) will initiate eminent
79 domain proceedings by filing a petition under section 523.010, RSMo."

80 8. Upon submitting an offer complying with the requirements of
81 subsections 6 and 7 of this section, the condemning entity shall file a
82 copy of such offer in the office of the recorder of deeds in the county
83 in which the property or property interest is located on the same day
84 the condemning entity submits such offer to the condemnee.

85 9. If the condemning entity and the condemnee fail to reach
86 agreement, and the amount of damages awarded the condemnee by the
87 commissioners under section 523.040 or by the court or jury under
88 section 523.050, exclusive of interest and costs, is twenty percent
89 greater than the amount specified in the offer made under subsections
90 6 and 7 of this section, the court shall award the condemnee the
91 condemnee's litigation expenses, including court costs and attorneys'
92 fees. If the amount of damages awarded to the condemnee by judgment,
93 exclusive of interest and costs, is fifty percent greater than the amount
94 specified in such offer, the condemning entity shall pay the litigation
95 expenses, including court costs and attorneys' fees, of the condemnee
96 and double damages on that proportion of damages awarded that
97 exceeds twenty percent more than such offer.

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