

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 108

AN ACT

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

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

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2 RSMo, are repealed and four new sections enacted in lieu thereof,  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

5           99.805. As used in sections 99.800 to 99.865, unless the  
6 context clearly requires otherwise, the following terms shall  
7 mean:

8           (1) "Blighted area", an area which, by reason of the  
9 predominance of defective or inadequate street layout, insanitary  
10 or unsafe conditions, deterioration of site improvements,  
11 [improper subdivision or obsolete platting,] or the existence of  
12 conditions which endanger life or property by fire and other  
13 causes, or any combination of such factors, retards the provision  
14 of housing accommodations or constitutes an economic or social  
15 liability or a menace to the public health, safety, [morals,] or  
16 welfare in its present condition and use;

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

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

25           (4) "Economic activity taxes", the total additional revenue  
26 from taxes which are imposed by a municipality and other taxing  
27 districts, and which are generated by economic activities within  
28 a redevelopment area over the amount of such taxes generated by

1 economic activities within such redevelopment area in the  
2 calendar year prior to the adoption of the ordinance designating  
3 such a redevelopment area, while tax increment financing remains  
4 in effect, but excluding personal property taxes, taxes imposed  
5 on sales or charges for sleeping rooms paid by transient guests  
6 of hotels and motels, licenses, fees or special assessments. For  
7 redevelopment projects or redevelopment plans approved after  
8 December 23, 1997, if a retail establishment relocates within one  
9 year from one facility to another facility within the same county  
10 and the governing body of the municipality finds that the  
11 relocation is a direct beneficiary of tax increment financing,  
12 then for purposes of this definition, the economic activity taxes  
13 generated by the retail establishment shall equal the total  
14 additional revenues from economic activity taxes which are  
15 imposed by a municipality or other taxing district over the  
16 amount of economic activity taxes generated by the retail  
17 establishment in the calendar year prior to its relocation to the  
18 redevelopment area;

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

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

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

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

3 (6) "Gambling establishment", an excursion gambling boat as  
4 defined in section 313.800 and any related business facility  
5 including any real property improvements which are directly and  
6 solely related to such business facility, whose sole purpose is  
7 to provide goods or services to an excursion gambling boat and  
8 whose majority ownership interest is held by a person licensed to  
9 conduct gambling games on an excursion gambling boat or licensed  
10 to operate an excursion gambling boat as provided in sections  
11 313.800 to 313.850. This subdivision shall be applicable only to  
12 a redevelopment area designated by ordinance adopted after  
13 December 23, 1997;

14 (7) "Greenfield area", any vacant, unimproved, or  
15 agricultural property that is located wholly outside the  
16 incorporated limits of a city, town, or village, or that is  
17 substantially surrounded by contiguous properties with  
18 agricultural zoning classifications or uses unless said property  
19 was annexed into the incorporated limits of a city, town, or  
20 village ten years prior to the adoption of the ordinance  
21 approving the redevelopment plan for such greenfield area;

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

27 (9) "Obligations", bonds, loans, debentures, notes, special  
28 certificates, or other evidences of indebtedness issued by a

1 municipality to carry out a redevelopment project or to refund  
2 outstanding obligations;

3 (10) "Ordinance", an ordinance enacted by the governing  
4 body of a city, town, or village or a county or an order of the  
5 governing body of a county whose governing body is not authorized  
6 to enact ordinances;

7 (11) "Payment in lieu of taxes", those estimated revenues  
8 from real property in the area selected for a redevelopment  
9 project, which revenues according to the redevelopment project or  
10 plan are to be used for a private use, which taxing districts  
11 would have received had a municipality not adopted tax increment  
12 allocation financing, and which would result from levies made  
13 after the time of the adoption of tax increment allocation  
14 financing during the time the current equalized value of real  
15 property in the area selected for the redevelopment project  
16 exceeds the total initial equalized value of real property in  
17 such area until the designation is terminated pursuant to  
18 subsection 2 of section 99.850;

19 (12) "Redevelopment area", an area designated by a  
20 municipality, in respect to which the municipality has made a  
21 finding that there exist conditions which cause the area to be  
22 classified as a blighted area, a conservation area, an economic  
23 development area, an enterprise zone pursuant to sections 135.200  
24 to 135.256, or a combination thereof, which area includes only  
25 those parcels of real property directly and substantially  
26 benefitted by the proposed redevelopment project;

27 (13) "Redevelopment plan", the comprehensive program of a  
28 municipality for redevelopment intended by the payment of

1 redevelopment costs to reduce or eliminate those conditions, the  
2 existence of which qualified the redevelopment area as a blighted  
3 area, conservation area, economic development area, or  
4 combination thereof, and to thereby enhance the tax bases of the  
5 taxing districts which extend into the redevelopment area. Each  
6 redevelopment plan shall conform to the requirements of section  
7 99.810;

8 (14) "Redevelopment project", any development project  
9 within a redevelopment area in furtherance of the objectives of  
10 the redevelopment plan; any such redevelopment project shall  
11 include a legal description of the area selected for the  
12 redevelopment project;

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

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

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

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

28 a. Acquisition of land and other property, real or

1 personal, or rights or interests therein;

2 b. Demolition of buildings; and

3 c. The clearing and grading of land;

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

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

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

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

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

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

24 (j) Payments in lieu of taxes;

25 (16) "Retail area", a proposed redevelopment area for which  
26 most of the projected tax increment financing revenue will be  
27 generated from retail businesses, which shall be businesses that  
28 primarily sell or offer to sell goods to a buyer primarily for

1 the buyer's personal, family, or household use and not primarily  
2 for business, commercial, or agricultural use;

3 (17) "Retail infrastructure projects", highways, roads,  
4 streets, bridges, sewers, traffic control systems and devices,  
5 water distribution and supply systems, curbing, sidewalks, storm  
6 water and drainage systems, and any other similar public  
7 improvements, but in no case shall retail infrastructure projects  
8 include private structures;

9 (18) "Special allocation fund", the fund of a municipality  
10 or its commission which contains at least two separate segregated  
11 accounts for each redevelopment plan, maintained by the treasurer  
12 of the municipality or the treasurer of the commission into which  
13 payments in lieu of taxes are deposited in one account, and  
14 economic activity taxes and other revenues are deposited in the  
15 other account;

16 ~~[(17)]~~ (19) "Taxing districts", any political subdivision  
17 of this state having the power to levy taxes;

18 ~~[(18)]~~ (20) "Taxing districts' capital costs", those costs  
19 of taxing districts for capital improvements that are found by  
20 the municipal governing bodies to be necessary and to directly  
21 result from the redevelopment project; and

22 ~~[(19)]~~ (21) "Vacant land", any parcel or combination of  
23 parcels of real property not used for industrial, commercial, or  
24 residential buildings.

25 99.810. 1. Each redevelopment plan shall set forth in  
26 writing a general description of the program to be undertaken to  
27 accomplish the objectives and shall include, but need not be  
28 limited to, the estimated redevelopment project costs, the



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

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

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

26 (3) The estimated dates, which shall not be more than  
27 twenty-three years from the adoption of the ordinance approving a  
28 redevelopment project within a redevelopment area, of completion

1 of any redevelopment project and retirement of obligations  
2 incurred to finance redevelopment project costs have been stated,  
3 provided that no ordinance approving a redevelopment project  
4 shall be adopted later than ten years from the adoption of the  
5 ordinance approving the redevelopment plan under which such  
6 project is authorized and provided that no property for a  
7 redevelopment project shall be acquired by eminent domain later  
8 than five years from the adoption of the ordinance approving such  
9 redevelopment project;

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

12 (5) A cost-benefit analysis showing the economic impact of  
13 the plan on each taxing district which is at least partially  
14 within the boundaries of the redevelopment area. The analysis  
15 shall show the impact on the economy if the project is not built,  
16 and is built pursuant to the redevelopment plan under  
17 consideration. The cost-benefit analysis shall include a fiscal  
18 impact study on every affected political subdivision, and  
19 sufficient information from the developer for the commission  
20 established in section 99.820 to evaluate whether the project as  
21 proposed is financially feasible;

22 (6) A finding that the plan does not include the initial  
23 development or redevelopment of any gambling establishment,  
24 provided however, that this subdivision shall be applicable only  
25 to a redevelopment plan adopted for a redevelopment area  
26 designated by ordinance after December 23, 1997.

27 2. Tax increment allocation financing shall not be adopted  
28 under sections 99.800 to 99.866 in a retail area unless such

1 financing is exclusively utilized to fund retail infrastructure  
2 projects or unless such area is a blighted area or conservation  
3 area. The provisions of this subsection shall not apply to any  
4 tax increment allocation financing project or plan approved  
5 before August 28, 2019, nor to any amendment to tax increment  
6 allocation financing projects and plans where such projects or  
7 plans were originally approved before August 28, 2019, provided  
8 that such an amendment does not add buildings of new construction  
9 in excess of twenty-five percent of the scope of the original  
10 redevelopment agreement.

11 3. By the last day of February each year, each commission  
12 shall report to the director of economic development the name,  
13 address, phone number and primary line of business of any  
14 business which relocates to the district. The director of the  
15 department of economic development shall compile and report the  
16 same to the governor, the speaker of the house and the president  
17 pro tempore of the senate on the last day of April each year.

18 99.843. Notwithstanding the provisions of sections 99.800  
19 to 99.865 to the contrary, no new tax increment financing project  
20 shall be authorized in any greenfield area, as such term is  
21 defined in section 99.805[, that is located within a city not  
22 within a county or any county subject to the authority of the  
23 East-West Gateway Council of Governments. Municipalities not  
24 subject to the authority of the East-West Gateway Council of  
25 Governments may authorize tax increment finance projects in  
26 greenfield areas].

27 99.847. 1. Notwithstanding the provisions of sections  
28 99.800 to 99.865 to the contrary, no new tax increment financing

1 project shall be authorized in any area which is within an area  
2 designated as flood plain by the Federal Emergency Management  
3 Agency [and which is located in or partly within a county with a  
4 charter form of government with greater than two hundred fifty  
5 thousand inhabitants but fewer than three hundred thousand  
6 inhabitants, unless the redevelopment area actually abuts a river  
7 or a major waterway and is substantially surrounded by contiguous  
8 properties with residential, industrial, or commercial zoning  
9 classifications].

10 2. This subsection shall not apply to tax increment  
11 financing projects or districts approved prior to July 1, 2003,  
12 and shall allow the aforementioned tax increment financing  
13 projects to modify, amend or expand such projects including  
14 redevelopment project costs by not more than forty percent of  
15 such project original projected cost including redevelopment  
16 project costs as such projects including redevelopment project  
17 costs as such projects redevelopment projects including  
18 redevelopment project costs existed as of June 30, 2003, and  
19 shall allow the aforementioned tax increment financing district  
20 to modify, amend or expand such districts by not more than five  
21 percent as such districts existed as of June 30, 2003.