

SENATE BILL NO. 808

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR O'LAUGHLIN.

3133S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 99.975 and 99.1082, RSMo, and to enact in lieu thereof two new sections relating to economic development.

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

Section A. Sections 99.975 and 99.1082, RSMo, are repealed
2 and two new sections enacted in lieu thereof, to be known as
3 sections 99.975 and 99.1082, to read as follows:

99.975. 1. No new applications made pursuant to
2 sections 99.915 to 99.980 shall be approved after January 1,
3 [2013] 2031.

2. No applications made pursuant to sections 99.915 to
5 99.980 shall be approved prior to August 28, 2003, except
6 for applications for projects that are located within a
7 county for which public and individual assistance has been
8 requested by the governor pursuant to section 401 of the
9 Robert T. Stafford Disaster Relief and Emergency Assistance
10 Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by
11 the governor pursuant to section 44.100 due to a natural
12 disaster of major proportions that occurred after May 1,
13 2003, but prior to May 10, 2003, and the development project
14 area is a central business district that sustained severe
15 damage as a result of such natural disaster, as determined
16 by the state emergency management agency.

17 3. Prior to December 31, 2006, the Missouri
18 development finance board may approve up to two applications

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

19 made pursuant to sections 99.915 to 99.980 in a home rule
20 city with more than four hundred thousand inhabitants and
21 located in more than one county in which the state sales tax
22 increment for such projects approved pursuant to the
23 provisions of this subsection shall be up to one-half of the
24 incremental increase in all sales taxes levied pursuant to
25 section 144.020. In no event shall the incremental increase
26 include any amounts attributable to retail sales unless the
27 Missouri development finance board and the department of
28 economic development are satisfied based on information
29 provided by the municipality or authority, and such entities
30 have made a finding that a substantial portion of all but a
31 de minimus portion of the sales tax increment attributable
32 to retail sales is from new sources which did not exist in
33 the state during the baseline year. The incremental
34 increase for an existing facility shall be the amount of all
35 state sales taxes generated pursuant to section 144.020 at
36 the facility in excess of the amount of all state sales
37 taxes generated pursuant to section 144.020 at the facility
38 in the baseline year. The incremental increase in
39 development project areas where the baseline year is the
40 year following the year in which the development project is
41 approved by the municipality pursuant to subdivision (2) of
42 section 99.918 shall be the state sales tax revenue
43 generated by out-of-state businesses relocating into a
44 development project area. The incremental increase for a
45 Missouri facility which relocates to a development project
46 area shall be the amount by which the state sales tax
47 revenue of the facility exceeds the state sales tax revenue
48 for the facility in the calendar year prior to relocation.

99.1082. As used in sections 99.1080 to 99.1092,
2 unless the context clearly requires otherwise, the following
3 terms shall mean:

4 (1) "Baseline year", the calendar year prior to the
5 adoption of an ordinance by the municipality approving a
6 redevelopment project; provided, however, if local sales tax
7 revenues or state sales tax revenues, from businesses other
8 than any out-of-state business or businesses locating in the
9 redevelopment project area, decrease in the redevelopment
10 project area in the year following the year in which the
11 ordinance approving a redevelopment project is approved by a
12 municipality, the baseline year may, at the option of the
13 municipality approving the redevelopment project, be the
14 year following the year of the adoption of the ordinance
15 approving the redevelopment project. When a redevelopment
16 project area is located within a county for which public and
17 individual assistance has been requested by the governor
18 under Section 401 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act, 42 U.S.C. Section 5121, et
20 seq., for an emergency proclaimed by the governor under
21 section 44.100 due to a natural disaster of major
22 proportions and the redevelopment project area is a central
23 business district that sustained severe damage as a result
24 of such natural disaster, as determined by the state
25 emergency management agency, the baseline year may, at the
26 option of the municipality approving the redevelopment
27 project, be the calendar year in which the natural disaster
28 occurred or the year following the year in which the natural
29 disaster occurred, provided that the municipality adopts an
30 ordinance approving the redevelopment project within one
31 year after the occurrence of the natural disaster;

32 (2) "Blighted area", the same meaning as defined
33 pursuant to section 99.805;

34 (3) "Central business district", the area at or near
35 the historic core that is locally known as the "downtown" of
36 a municipality that has a median household income of sixty-
37 two thousand dollars or less, according to the United States
38 Census Bureau's American Community Survey, based on the most
39 recent of five-year period estimate data in which the final
40 year of the estimate ends in either zero or five. In
41 addition, at least fifty percent of existing buildings in
42 this area will have been built in excess of thirty-five
43 years prior or vacant lots that had prior structures built
44 in excess of thirty-five years prior to the adoption of the
45 ordinance approving the redevelopment plan. The historical
46 land use emphasis of a central business district prior to
47 redevelopment will have been a mixed use of business,
48 commercial, financial, transportation, government, and
49 multifamily residential uses;

50 (4) "Conservation area", any improved area within the
51 boundaries of a redevelopment area located within the
52 territorial limits of a municipality in which fifty percent
53 or more of the structures in the area have an age of thirty-
54 five years or more, and such an area is not yet a blighted
55 area but is detrimental to the public health, safety,
56 morals, or welfare and may become a blighted area because of
57 any one or more of the following factors: dilapidation;
58 obsolescence; deterioration; illegal use of individual
59 structures; presence of structures below minimum code
60 standards; abandonment; excessive vacancies; overcrowding of
61 structures and community facilities; lack of ventilation,
62 light or sanitary facilities; inadequate utilities;
63 excessive land coverage; deleterious land use or layout;

64 depreciation of physical maintenance; and lack of community
65 planning;

66 (5) "Gambling establishment", an excursion gambling
67 boat as defined in section 313.800 and any related business
68 facility including any real property improvements which are
69 directly and solely related to such business facility, whose
70 sole purpose is to provide goods or services to an excursion
71 gambling boat and whose majority ownership interest is held
72 by a person licensed to conduct gambling games on an
73 excursion gambling boat or licensed to operate an excursion
74 gambling boat as provided in sections 313.800 to 313.850;

75 (6) "Local sales tax increment", at least fifty
76 percent of the local sales tax revenue from taxes that are
77 imposed by a municipality and its county, and that are
78 generated by economic activities within a redevelopment area
79 over the amount of such taxes generated by economic
80 activities within such a redevelopment area in the calendar
81 year prior to the adoption of the ordinance designating such
82 a redevelopment area while financing under sections 99.1080
83 to 99.1092 remains in effect, but excluding personal
84 property taxes, taxes imposed on sales or charges for
85 sleeping rooms paid by transient guests of hotels and
86 motels, licenses, fees, or special assessments; provided
87 however, the governing body of any county may, by
88 resolution, exclude any portion of any countywide sales tax
89 of such county. For redevelopment projects or redevelopment
90 plans approved after August 28, 2005, if a retail
91 establishment relocates within one year from one facility
92 within the same county and the governing body of the
93 municipality finds that the retail establishment is a direct
94 beneficiary of tax increment financing, then for the
95 purposes of this subdivision, the economic activity taxes

96 generated by the retail establishment shall equal the total
97 additional revenues from economic activity taxes that are
98 imposed by a municipality or other taxing district over the
99 amount of economic activity taxes generated by the retail
100 establishment in the calendar year prior to its relocation
101 to the redevelopment area;

102 (7) "Local sales tax revenue", city sales tax revenues
103 received under sections 94.500 to 94.550 and county sales
104 tax revenues received under sections 67.500 to 67.594;

105 (8) "Major initiative", a development project within a
106 central business district which promotes tourism, cultural
107 activities, arts, entertainment, education, research,
108 arenas, multipurpose facilities, libraries, ports, mass
109 transit, museums, economic development, or conventions for
110 the municipality, and where the capital investment within
111 the redevelopment project area is:

112 (a) At least five million dollars for a project area
113 within a city having a population of one hundred thousand to
114 one hundred ninety-nine thousand nine hundred and ninety-
115 nine inhabitants;

116 (b) At least one million dollars for a project area
117 within a city having a population of fifty thousand to
118 ninety-nine thousand nine hundred and ninety-nine
119 inhabitants;

120 (c) At least five hundred thousand dollars for a
121 project area within a city having a population of ten
122 thousand to forty-nine thousand nine hundred and ninety-nine
123 inhabitants; or

124 (d) At least two hundred fifty thousand dollars for a
125 project area within a city having a population of one to
126 nine thousand nine hundred and ninety-nine inhabitants;

127 (9) "Municipality", any city or county of this state
128 having fewer than two hundred **fifty** thousand inhabitants;

129 (10) "Obligations", bonds, loans, debentures, notes,
130 special certificates, or other evidences of indebtedness
131 issued by the municipality or authority, or other public
132 entity authorized to issue such obligations under sections
133 99.1080 to 99.1092 to carry out a redevelopment project or
134 to refund outstanding obligations;

135 (11) "Ordinance", an ordinance enacted by the
136 governing body of any municipality;

137 (12) "Redevelopment area", an area designated by a
138 municipality in respect to which the municipality has made a
139 finding that there exist conditions which cause the area to
140 be classified as a blighted area or a conservation area,
141 which area shall have the following characteristics:

142 (a) It can be renovated through one or more
143 redevelopment projects;

144 (b) It is located in the central business district;

145 (c) The redevelopment area shall not exceed ten
146 percent of the entire geographic area of the municipality.
147 Subject to the limitation set forth in this subdivision, the
148 redevelopment area can be enlarged or modified as provided
149 in section 99.1088;

150 (13) "Redevelopment plan", the comprehensive program
151 of a municipality to reduce or eliminate those conditions
152 which qualify a redevelopment area as a blighted area or a
153 conservation area, and to thereby enhance the tax bases of
154 the taxing districts which extend into the redevelopment
155 area through the reimbursement, payment, or other financing
156 of redevelopment project costs in accordance with sections
157 99.1080 to 99.1092 and through application for and

158 administration of downtown revitalization preservation
159 program financing under sections 99.1080 to 99.1092;

160 (14) "Redevelopment project", any redevelopment
161 project within a redevelopment area which constitutes a
162 major initiative in furtherance of the objectives of the
163 redevelopment plan, and any such redevelopment project shall
164 include a legal description of the area selected for such
165 redevelopment project;

166 (15) "Redevelopment project area", the area located
167 within a redevelopment area selected for a redevelopment
168 project;

169 (16) "Redevelopment project costs" include such costs
170 to the redevelopment plan or a redevelopment project, as
171 applicable, which are expended on public property,
172 buildings, or rights-of-way for public purposes to provide
173 infrastructure to support a redevelopment project, including
174 facades. Such costs shall only be allowed as an initial
175 expense which, to be recoverable, must be included in the
176 costs of a redevelopment plan or redevelopment project,
177 except in circumstances of plan amendments approved by the
178 department of economic development. Such infrastructure
179 costs include, but are not limited to, the following:

180 (a) Costs of studies, appraisals, surveys, plans, and
181 specifications;

182 (b) Professional service costs, including, but not
183 limited to, architectural, engineering, legal, marketing,
184 financial, planning, or special services;

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

189 (d) Costs of rehabilitation, reconstruction, repair,
190 or remodeling of existing public buildings and fixtures;

191 (e) Costs of construction of public works or
192 improvements;

193 (f) Financing costs, including, but not limited to,
194 all necessary expenses related to the issuance of
195 obligations issued to finance all or any portion of the
196 infrastructure costs of one or more redevelopment projects,
197 and which may include capitalized interest on any such
198 obligations and reasonable reserves related to any such
199 obligations;

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

206 (h) Payments to taxing districts on a pro rata basis
207 to partially reimburse taxes diverted by approval of a
208 redevelopment project when all debt is retired;

209 (i) State government costs, including, but not limited
210 to, the reasonable costs incurred by the department of
211 economic development and the department of revenue in
212 evaluating an application for and administering downtown
213 revitalization preservation financing for a redevelopment
214 project;

215 (17) "State sales tax increment", up to one-half of
216 the incremental increase in the state sales tax revenue in
217 the redevelopment project area provided the local taxing
218 jurisdictions commit one-half of their local sales tax to
219 paying for redevelopment project costs. The incremental
220 increase shall be the amount by which the state sales tax

221 revenue generated at the facility or within the
222 redevelopment project area exceeds the state sales tax
223 revenue generated at the facility or within the
224 redevelopment project area in the baseline year. For
225 redevelopment projects or redevelopment plans approved after
226 August 28, 2005, if a retail establishment relocates within
227 one year from one facility to another facility within the
228 same county and the governing body of the municipality finds
229 that the retail establishment is a direct beneficiary of tax
230 increment financing, then for the purposes of this
231 subdivision, the economic activity taxes generated by the
232 retail establishment shall equal the total additional
233 revenues from economic activity taxes that are imposed by a
234 municipality or other taxing district over the amount of
235 economic activity taxes generated by the retail
236 establishment in the calendar year prior to the relocation
237 to the redevelopment area;

238 (18) "State sales tax revenues", the general revenue
239 portion of state sales tax revenues received under section
240 144.020, excluding sales taxes that are constitutionally
241 dedicated, taxes deposited to the school district trust fund
242 in accordance with section 144.701, sales and use taxes on
243 motor vehicles, trailers, boats and outboard motors and
244 future sales taxes earmarked by law;

245 (19) "Taxing district's capital costs", those costs of
246 taxing districts for capital improvements that are found by
247 the municipal governing bodies to be necessary and to
248 directly result from a redevelopment project;

249 (20) "Taxing districts", any political subdivision of
250 this state having the power to levy taxes.

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