



*State of Missouri*  
*Department of Economic Development*

**State Supplemental  
Tax Increment Financing**

*Program Summary,  
Procedures and Forms*

Revised January 2004



*Missouri Department of Economic Development*

---

# *Program Summary, Procedures and Application Forms*

---

## **Table of Contents**

**Section 1 - Summary of State Supplemental Tax Increment Financing Program**

**Section 2 - Program Definitions**

**Section 3 - Findings and Determinations by the Department**

**Section 4 - Program Procedures**

**Section 5 - Reporting Requirements**

**Section 6 - Forms**

Exhibit A: Precertification Request Form and Submission Instructions

Exhibit B: Program Application and Submission Instructions



# *Section 1*

## **PROGRAM SUMMARY**

### **Introduction**

Tax Increment Financing ("TIF") is authorized in Sections 99.800 to 99.865, RSMo. (the "TIF Act"). In 1997, the General Assembly amended the TIF Act to provide a mechanism that permits municipalities with qualifying projects to request that specified State tax revenues be used to supplement local TIF revenues. This mechanism is referred to as the "State Supplemental TIF Program" or the "Program". The revenues available under the State Supplemental TIF Program are required to be used to supplement payments in lieu of taxes, economic activity taxes and other local funds committed by the municipality (as defined in the TIF Act).

This document provides a brief overview of the State Supplemental TIF Program, certain definitions the State will use in administering the Program, the procedural steps the State will follow in considering applications, the requirements for submitting a Precertification Request Form, the Program Application and the various forms approved by the Department of Economic Development in connection with the Program. Capitalized words and terms used in this document are defined in Section 2 below.

### **Eligible Areas**

To qualify for the State Supplemental TIF Program, a Redevelopment Project must be located in an eligible area. There are two types of eligible areas under the TIF Act: (1) blighted areas meeting certain criteria and (2) certain federally approved levee districts which may or may not be located in blighted areas.

*Blighted Areas.* Blighted areas must contain one or more buildings at least 50 years old and must be located in **any** of the following:

- a. Enterprise zones, pursuant to sections 135.200 to 135.256, RSMo,
- b. Federal empowerment zones (currently parts of the Cities of St. Louis, Kansas City and East Prairie);
- c. Central Business Districts; or
- d. Urban Core Areas of cities.

In addition, the blighted areas must meet *either* of the following:

a. Over the 20-year period immediately preceding the Redevelopment Area's designation as a project area by ordinance, the Redevelopment Area suffered from Declining Population or Property Taxes; or

b. The Redevelopment Area includes a historic hotel located in a first-class county without a charter form of government with a population according to the most recent federal decennial census in excess of 150,000 and containing a portion of a city with a population according to the most recent decennial census in excess of 350,000 (currently the Elms Hotel in Excelsior Springs).

Federally Approved Levee Districts. The TIF Act also identifies as an eligible area a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a first-class county without a charter form of government with a population between 50,000 and 100,000 which contains all or part of a city with a population in excess of 400,000 inhabitants (currently the Riverside-Quindaro Bend Levee District in Clay County).

#### **Available Financial Assistance**

General. A Municipality may request that up to 50% of the "new" or "incremental" state revenues (either State Sales Taxes or State Withholding Taxes, as described below) estimated for the businesses within the Redevelopment Area be used to pay for Eligible Project Costs. This request must document that the proposed project could not be financed without the use of state funds, and that the request is the minimum necessary to cause the project to be developed.

New State Revenues. New State Revenues may be **either** (a) the increase of the general revenue portion of State Sales Taxes **or** (b) the State Withholding Taxes created by the businesses within the Redevelopment Area over the amount in the Base Year. Ordinarily, the Base Year will be the year prior to the date on which an ordinance is passed approving the Redevelopment Project. The Department of Economic Development will, with the assistance of the Department of Revenue, evaluate the effect of "displaced" sales or withholding taxes. Generally, displaced taxes are those which are being moved from one area of the State to another as a result of the proposed development within the Redevelopment Area. The eligible State Withholding Taxes are those generated from "New Employees" who fill "New Jobs" within the Redevelopment Area.

State Annual Appropriation. The transfer by the State to the Municipality of New State Revenues is subject to annual appropriation each year by the General Assembly for the projects approved that year. DED currently intends to seek a single, aggregate appropriation for all projects approved that year, unless an Applicant requests a specific appropriation for its project. The state appropriation is limited to 50% of the New State Revenues, and also limited to the amount approved by DED on an annual basis. While it is anticipated that this commitment will

be for the term recommended by DED, the General Assembly is not legally bound to either approve the appropriation or continue the appropriation in future years.

Timing of Applications and Availability of New State Revenues. Precertification Request Forms and Program Applications may be submitted to DED at any time. Because of the State's appropriation process, however, applicants should comply with the following schedule to ensure that, assuming approval of the application by DED, the application will be submitted for appropriation in the next session of the General Assembly:

<b>Action</b>	<b>Projected Date</b>
Submittal of Precertification Request Form to DED	September 1st
Precertification by DED	November 1st
Submittal of Program Application to DED	November 1st
Final Approval by DED	January 15th

The first installment of New State Revenues (assuming any New State Revenues are available and the General Assembly appropriates such funds) will not be available until July 1 of the year in which the appropriation occurs.

### **Conditions and Limitations Relating to the TIF Program**

Redevelopment Projects approved prior to January 1, 1998. Redevelopment Projects approved prior to January 1, 1998, that meet the criteria set forth above may be eligible **if** the Municipality has committed all of its Local TIF Revenues (50% of EATS and 100% of PILOTS), and demonstrates that additional funding is needed to: (a) cause additional development that otherwise would not occur (such that the State Supplemental TIF Program funds would be used for costs that have not yet been incurred or committed); or (b) provide funding support for debt obligations issued to the extent that actual Local TIF Revenues are less than the amount projected in the redevelopment plan, and that without the State Supplemental TIF Program funding, the project would fail.

Requirement of Local TIF Funding. Appropriations from the New State Revenues shall not be distributed in any year unless the redevelopment plan provides that 100% of PILOTS and 50% of EATS generated by the Redevelopment Project shall be used for Eligible Project Costs for the maximum time period allowed under the TIF Act. In addition, applicants will be required to waive any local administrative fees charged in connection with Redevelopment Projects.

No Replacement of Prior Committed Funds. No project costs will be reimbursed by the Program if such costs have been committed or incurred prior to DED's approval of an

application, except for the project authorized by Section 99.845.9(2) of the TIF Act. For this purpose the term "costs" include any moneys of the municipality, developer, or other source that has been identified as a funding source in the Redevelopment Plan, redevelopment agreement, or other documents relating to the proposed Redevelopment Project.

*No Displacement of Existing State Tax Revenues.* As noted above, the Department of Economic Development and the Department of Revenue will make a factual determination as to whether any portion of the New State Revenues are expected to replace existing state tax revenues.

*Sales Tax Reporting Requirements.* Form 53-1 (Sales Tax Return) of the Missouri Department of Revenue provides the mechanism for a business to report the amount of sales tax for each business location. This form will be used to document the New State Revenues.

### **Precertification Requirements**

Each potential applicant shall, prior to submitting a Program Application, submit a Precertification Request Form to DED. The Department of Economic Development encourages potential applicants to submit this form prior to the TIF Commission's public hearing regarding a redevelopment plan or Redevelopment Project. There is no charge for submitting a Precertification Request Form. The Precertification Request Form and instructions for completing the form are attached hereto as **Exhibit A**.

### **Application Requirements**

Program Applications may only be submitted to DED following approval of the Redevelopment Plan by the TIF Commission and adoption of an ordinance by the Applicant approving the Redevelopment Project. This amount shall serve as a deposit securing reimbursement of the State's General Fund for the expenses of DED in administering the State Supplemental TIF Program. The Program Application and instructions for completing the application are attached hereto as **Exhibit B**.

### **Questions and Technical Assistance**

Representatives of the Department of Economic Development, Incentives Section, can provide information and technical assistance, as requested by any Municipality, on the requirements of the Program and the general requirements of TIF. Further information can be obtained by contacting DED Incentives Section at 573-751-0717.



## *Section 2*

### **PROGRAM DEFINITIONS**

For purposes of interpreting this Program Summary, the TIF Act and submitting an Application, DED will use the following definitions::

**"Applicant"** means the Municipality submitting a Program Application to DED for assistance pursuant to the State Supplemental TIF Program.

**"Appropriated New State Revenues"** means New State Revenues collected by the DOR, appropriated by the General Assembly and deposited at the request of DED by the State Treasurer into a segregated account of the "Missouri Supplemental Tax Increment Financing Fund."

**"Approved Application"** means a Program Application that has received final approval by the Director of DED and the Commissioner of the Office of Administration.

**"Base Year"** means the calendar year prior to the adoption of the ordinance designating the area for a Redevelopment Project.

**"Base Year Revenues"** means the calendar year prior to the adoption of the ordinance by the municipality approving the redevelopment plan or project.

**"Central Business District"** means the generally accepted or designated primary downtown business area of a municipality.

**"Cooperation and Development Agreement"** means the Cooperation and Development Agreement among DED, the Applicant and the Developer setting forth the terms and conditions of the Approved Application.

**"Declining Population or Property Tax"** means a decline (i) in the population of the Redevelopment Area for the most recent calendar year prior to the designation by ordinance of an area for the Redevelopment Project when compared to the population as shown in the U.S. Census or other data for the 20 years prior to the designation by ordinance of an area for the Redevelopment Project, or (ii) the amount of real and personal property taxes collected within the Redevelopment Area for the most recent tax year prior to the designation by ordinance of an area for the Redevelopment Project when compared to the average annual real and personal property taxes collected within the Redevelopment Area for the 20 year period prior to the

designation by ordinance of an area for the Redevelopment Project, adjusted by DED to reflect changes, if any, in assessment classifications, tax rates and inflation.

**"DED"** means the Department of Economic Development.

**"Developer"** means the developer named in the Approved Application.

**"DOR"** means the Department of Revenue.

**"EATS"** means "economic activity taxes" as defined by the TIF Act.

**"Eligible Project Costs"** means the costs that DED has determined are eligible for reimbursement as provided in the Approved Application.

**"Local TIF Revenues"** means 100% of the PILOTS and 50% of the EATS.

**"Net State Economic Impact"** means the net state economic impact of the proposed projects set forth in the Program Application as determined by DED with the assistance of the DOR, with such adjustments as DED shall determine are necessary to provide a reasonable forecast of the net state economic impact.

**"New Employees"** means a person employed in a New Job who was not employed by the Reporting Business or a Related Taxpayer in the State at any time during the twelve-month period immediately prior to being employed in such New Job within the Redevelopment Area; provided, however, a person may have been employed by the Reporting Business or a Related Taxpayer during the twelve-month period immediately prior to being employed at the New Job within the Redevelopment Area if the Reporting Business or a Related Taxpayer does not eliminate the position which such employee held during such twelve-month month period and promptly replaces such employee within three months of the date such employee begins employment in the New Job within the Redevelopment Area.

**"New Jobs"** means a full-time position (averaging at least 35 hours per week over a twelve-month period) created within the Redevelopment Area. "New Jobs" does not include jobs of recalled workers or replacement jobs (jobs that formerly existed with the Reporting Business or a Related Taxpayer in the State). To qualify as a New Job, such New Job must be filled by a New Employee.

**"New State Revenues"** means the amount set forth in the Approved Application, which shall be an amount not to exceed 50% of (1) the State Sales Taxes; or (2) the State Withholding Taxes.

**"PILOTS"** means "payments in lieu of taxes" as defined by the TIF Act.

**"Precertification Request Form"** means the form (attached as **Exhibit A**) prepared by DED and submitted by a Municipality to obtain a statement regarding the likelihood that DED will approve or deny a Program Application, if one is submitted.



**"Program Application"** or **"Application"** means the form (attached as **Exhibit B**) prepared by DED and submitted by a Municipality for the consideration of requests under the Program.

**"Redevelopment Area"** means the "redevelopment area" as defined by the TIF Act and as further described in the Redevelopment Plan.

**"Redevelopment Plan"** means the "redevelopment plan" as defined by the TIF Act that is referenced in the Program Application.

**"Redevelopment Project"** means the "redevelopment project" as defined by the TIF Act and as further described in the Redevelopment Plan.

**"Related Taxpayer"** means (i) a corporation, partnership, trust or association controlled by the Reporting Business; or (ii) a corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the Reporting Business or Related Taxpayer. For the purposes of this definition, "control of a corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote; "control of a partnership or association" shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association; and "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the U.S. Internal Revenue Code.

**"Reporting Business"** means each person required to report sales or income to DOR which is located or conducts business in the Redevelopment Area.

**"State Sales Taxes"** means the incremental (as defined below) increase in the general revenue portion (3%) of State Sales Taxes revenues received pursuant to section 144.020, RSMo, excluding State Sales Taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes specifically excluded from State Sales Taxes by law. For purposes of this definition, "incremental" means the amount by which the current State Sales Taxes revenue as described above exceeds the State Sales Taxes revenue in the Base Year.

**"State Sales Taxes Reporting Forms"** means Missouri DOR Form 53-1 which must be used by any Reporting Business for the purpose of declaring all State Sales Taxes. Each Reporting Business shall file a separate DOR Form 53-1 for each location identifying all State Sales Taxes collected within the Redevelopment Area. Reporting Businesses with multiple business operations within the Redevelopment Area shall separately identify each business operation by address.

**"State Withholding Taxes"** means the actual amount of state income tax withheld on behalf of New Employees by any Reporting Business pursuant to section 143.221, RSMo.

**"State Withholding Taxes Reporting Forms"** means Missouri DOR Form MO-TIF which must be used by any Reporting Business for the purpose of declaring all State Withholding Tax.

**"Urban Core Area"** means a Redevelopment Area in an urban area that has a predominance of buildings with an age of 50 years and older and in which little or no recent "greenfield" (unimproved) development has occurred, as determined by DED.



## *Section 3*

### ***FINDINGS AND DETERMINATIONS BY THE DEPARTMENT***

- 1. Submission of Precertification Request Form.** A Precertification Request Form should be submitted to DED prior to the public hearing on any redevelopment plan or Redevelopment Project.
- 2. Determination of Completeness of Precertification Request Form.** Following receipt by DED of an executed Precertification Request Form, DED will determine whether the Form is complete. If the Form is incomplete, DED shall notify the Applicant of the information that is needed in order to complete the Form.
- 3. Due Diligence and Document Request Period.** Following the Determination of Completeness of the Precertification Request Form, DED will investigate the facts and circumstances covered by such Form and may request additional supporting information it deems necessary to complete its review of the Form. The due diligence period will last as long as DED determines to be necessary to adequately review and analyze the Form.
- 4. Preparation of Cost Benefit Analysis.** During the due diligence period DED will prepare a cost benefit analysis in cooperation with the Applicant.
- 5. Preliminary Determination of Project Qualification.** Based on the foregoing, DED will issue a statement regarding the likelihood that DED will approve or deny a Program Application, if one is submitted in substantially the form of the Precertification Request Form. If such statement indicates approval is likely, the statement shall contain the following information:
  - a. A preliminary determination that the proposed project is located within an area eligible for assistance by the Program, including a description of the factual basis upon which such determination was made.
  - b. A preliminary determination that the proposed project could not be financed without the use of state funds.
  - c. The amount and a description of Eligible Project Costs which DED is likely to approve for reimbursement or payment.

- d. A determination of the Base Year and the estimated Base Year revenues for purposes of determining the New State Revenues.
- e. An estimate of the projected New State Revenues. A description of any businesses that will be excluded from the collection of New State Revenues.
- f. Dates by which the project must be commenced or completed in order to qualify for the Program.
- g. Any conditions or stipulations on such preliminary approval.

If the statement indicates approval is unlikely, the statement shall state the basis upon which DED has reached such concluded that the Program Application, if submitted in substantially the form of the Precertification Request Form, is likely to be denied.

- 6. Submission of Program Application.** The Program Application should be submitted to DED following the recommendation of approval of the Redevelopment Plan by the TIF Commission and after the Applicant's adoption of an ordinance approving the Redevelopment Plan.
- 7. Determination of Completeness of Program Application.** Following receipt by DED of an executed Application, DED will determine whether the Application is complete. If the Application is incomplete DED will notify the Applicant of the information that is needed in order to complete the Application.
- 8. Due Diligence and Document Request Period.** Following the Determination of Completeness of Application, DED will investigate the facts and circumstances covered by such Application and may request additional supporting information it deems necessary to complete its review of the Application. The due diligence period will last as long as DED determines to be necessary to adequately review and analyze the Application.
- 9. Finalization of Cost Benefit Analysis.** During the due diligence period DED will finalize the cost benefit analysis in cooperation with the Applicant.
- 10. Amendment of Application.** Following completion of the due diligence period and completion of the cost benefit analysis DED shall notify the Applicant of any information DED has determined is necessary in order to complete the Application.
- 11. Determination of Project Qualification.** Following receipt of any amendments or supplements to the Application, DED shall issue a notice indicating whether DED intends to approve or deny the Application. Each notice of intent to approve an Application shall contain the following:

- a. A determination that the proposed project is located within an area eligible for assistance by the Program, including a description of the factual basis upon which such determination was made.
- b. A determination that the proposed project could not be financed without the use of state funds.
- c. The amount and a description of Eligible Project Costs which DED intends to approve for reimbursement or payment.
- d. A determination of the Base Year and the estimated Base Year Revenues for purposes of determining the New State Revenues.
- e. An estimate of the projected New State Revenues. A description of any businesses that will be excluded from the collection of New State Revenues.
- f. Dates by which the project must be commenced or completed in order to qualify for the Program.
- g. Any conditions or stipulations on such approval.

Any notice of intent to deny an Application shall state the basis upon which DED has concluded that the Application should be denied.

**12. Notice of Acceptance of Conditions and Stipulations.** Following issuance by DED of a notice of intent, the Applicant and the Developer shall file with the Department written notice of concurrence with DED's findings, stipulations and conditions. Upon receipt of such concurrence, DED, the Applicant and the Developer shall proceed to negotiate the terms and conditions of the Cooperation and Development Agreement.

**13. Preparation of Cooperation and Development Agreement.** The Cooperation and Development Agreement shall be an agreement among the Applicant, the Developer and DED. Such agreement shall set forth the respective rights and obligations of the parties and shall include the conditions and stipulations included in DED's notice of intent. Such agreement shall include an obligation upon the Applicant and the Developer to require each Reporting Business to file with the DED and DOR the State Sales Taxes Reporting Forms and the State Withholding Taxes Reporting Forms.

**14. Approval of Application and Certification of Base Year.** Following receipt of a written request from the Applicant, the Director of DED and the Commissioner of the Office of Administration (or their designees) shall review the Application and shall determine whether (a) the conditions or stipulations set forth in the notice of intent have been satisfied and (b) the Cooperation and Development Agreement is in

satisfactory form. If so, the Director of DED and the Director of the Office of Administration (or their designees) shall issue a certificate of approval.

The certificate of approval shall be the state's approval of (1) the base level of State Sales Taxes or State Withholding Taxes, (2) any businesses that will be excluded from collecting New State Revenues, and (3) amount and the term of state participation of New State Revenues.

The amount of funding approved by DED and the Commissioner of the Office of Administration shall be based upon (i) the dollar amount of local governmental participation in the Project, (ii) the dollar amount of private participation in the Project (iii) the demonstrated basis of need for the State Supplemental TIF Program funds to cause the project to occur, (iv) the net state economic impact (benefit/cost ratio relative to other projects), (v) potential direct and indirect growth to be caused by the project, (vi) the level of economic distress within the municipality and within the Redevelopment Area, and (vii) the likelihood of successful commencement and completion of the project.

Generally, DED shall limit the time period for participation in the State Supplemental TIF Program to not more than 15 years. If a request for more than 15 years is made, DED will evaluate such request based upon the following factors: (i) direct fiscal impact to the State, (ii) project importance to the Applicant and (iii) the new jobs created. In no event shall participation in the State Supplemental TIF Program exceed 23 years.

**15. Request for Annual Appropriation.** Following final approval of the Application DED shall prepare a request for an appropriation of New State Revenues relating to the Application. Unless otherwise provided, the funds (if any) will be provided in one annual payment. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit the approved New State Revenues in a separate segregated account within the special allocation fund established pursuant to section 99.805. No municipality shall commit any state revenues for a project prior to an appropriation that has been approved by the General Assembly and signed by the Governor.

**16. Approval of Debt Financing.** Prior to the incurrence of any debt to pay for Eligible Project Costs, DED shall review the documents authorizing such debt to determine whether such documents satisfy the requirements of the TIF Act and are consistent with the terms of the Cooperative and Development Agreement.

**17. Final Certification of Approved Project Costs.** Promptly following completion of the Project the Applicant shall notify DED of the completion of the Project and shall provide DED with written evidence of the actual costs of the Project.



## *Section 4*

### *PROGRAM PROCEDURES*

- 1. Reimbursement of DED Costs.** All personnel and other costs incurred by DED for the administration and operation of the Program shall be paid from the state general revenue fund. On an annual basis (on August 1 each year), the general revenue fund shall be reimbursed for the full amount of such costs by the developer(s) of the project(s) for which municipalities have made State Supplemental TIF Program applications. Failure to timely reimburse the state shall result in a Noncompliance Event.
- 2. Determination of DED Costs.** The TIF Act requires that the amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the *Program Application* made by each municipality for a particular project by the total monetary amount of all applications received by the DED.
- 3. Application Deposit.** On June 30 of each year, the determination of actual costs of DED will be performed as described in the preceding paragraph. If the actual amount of funds due DED is less or more than the amount paid at the time of application, DED will reconcile the amount within 30 days after June 30. A notice will be sent by DED to the developers regarding the amended amount.



## *Section 5*

### *REPORTING REQUIREMENTS*

#### **1. Missouri TIF Projects :**

- a. Hearing Notices:** Municipalities (or their TIF Commissions) must send a copy of any and all hearing notices required by section 99.825 and 99.830 to DED.
- b. Business Relocations:** By the last day of February each year, each municipality or TIF Commission shall report to DED the name, address, phone number and primary line of business of any business which **relocates** to the Redevelopment Area. DED shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.
- c. Annual Report:** Each municipality or TIF Commission shall submit an annual report to DED as specified in Section 99.865.1, RSMo., by October 30 each year. DED will post all annual reports on its web site upon completion.





## *Section 6*

### *FORMS*

**Exhibit A: Precertification Request Form  
and Submission Instructions**

**Exhibit B: Program Application  
and Submission Instructions**

**EXHIBIT A**



**STATE SUPPLEMENTAL TAX INCREMENT FINANCING**

**PRECERTIFICATION REQUEST FORM AND SUBMISSION INSTRUCTIONS**

**PART I. Applicant**

1. Name and address of Applicant: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (P.O. Box) (City) (Zip Code)

2. Name of Applicant's spokesperson: \_\_\_\_\_  
(Name) (Title) (Telephone)

**PART II. Developer**

1. Name and address of Developer: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (P.O. Box) (City) (Zip Code)

2. Name of Developer's spokesperson: \_\_\_\_\_  
(Name) (Title) (Telephone)

**PART III. Project**

1. Name of the Project: \_\_\_\_\_

2. General description of the Project:

\_\_\_\_\_  
\_\_\_\_\_

**PART IV. Submissions**

The Applicant shall submit four copies of this Precertification Request Form, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:

\_\_\_\_\_ Date: \_\_\_\_\_

**RETURN TO:**  
**Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102**

**SCHEDULE I TO  
PRECERTIFICATION REQUEST FORM**

1. Identification of the **Redevelopment Area** (by a map showing the specific boundaries and a legal description). Identify the following to indicate eligibility:
  - a. Address of property 50+ years old within the redevelopment area, and documentation of age of property.
  - b. Documentation of blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance.
  - c. Documentation of generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance
2. The names, addresses, federal ID number and state sales tax ID number of all existing **businesses** within the Redevelopment Area.
3. For each existing business within the Redevelopment Area during the base year:
  - a. The amount of **State Sales Taxes** paid by each business in the base year. This would be documented by written authorization (see Exhibit A) by each existing businesses within the project area (prior to approval of the Redevelopment Project) to authorize the Missouri Department of Revenue to provide DED access to the company's sales tax records; **or**
  - b. The amount of **State Withholding Taxes** on behalf of existing employees in the base year. This would be documented by written authorization by each company to allow the Missouri Department of Revenue to provide DED access to the company's withholding tax records.
4. The estimate of the **incremental increase** (for the proposed number of years that state funding is requested) in the general revenue portion of either 50% of the state sales tax revenue (1.5% of eligible retail sales) **or** the estimate for 50% of the state income tax withheld by the employers in the Redevelopment Area on behalf of new employees expected to fill new jobs created within the Redevelopment Area after redevelopment. There should be adequate information provided to determine that the estimates are realistic.
5. The **cost-benefit analysis** required by section 99.810, which would include a study of the direct fiscal impact on the state of Missouri.
6. The **statement of election** between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the Redevelopment Area; and,

7. The **redevelopment plan** for the project, which includes the following elements:
  - a. The estimated Redevelopment Project costs;
  - b. The anticipated sources of funds to pay the costs;
  - c. Evidence of the commitments to finance the project costs;
  - d. The anticipated type and term of the sources of funds to pay costs;
  - e. The anticipated type and terms of the obligations to be issued;
  - f. The most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845;
  - g. An estimate as to the equalized assessed valuation after redevelopment; and
  - h. The general land uses to apply in the Redevelopment Area; and
  - i. A detailed description of the factors that **qualify** the Redevelopment Area or project.
  
8. An **affidavit** that is signed by the developer or developers attesting :
  - a. that the provisions of subdivision (1) of section 99.810 have been met;
  - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
  - c. that the developer will not proceed with the project without the appropriation of New State Revenues. (Narrative describing how this determination was made should be attached, including an analysis of the developer's return on investment with and without state TIF funding. The developer return on investment analysis may use generally accepted methods used by real estate developers, such as internal rate of return analysis assuming a sale of the property at a certain time depending on the nature of the project.)
  
9. The municipality shall include in the application the following items in addition to the items in section 99.810:
  - (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
  - (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;

- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
- (i) The street address of the development site;
- (j) The three-digit North American Industry Classification System number or numbers characterizing the development project;
- (k) The estimated development project costs;
- (l) The anticipated sources of funds to pay such development project costs;
- (m) Evidence of the commitments to finance such development project costs;
- (n) The anticipated type and term of the sources of funds to pay such development project costs;
- (o) The anticipated type and terms of the obligations to be issued;
- (p) The most recent equalized assessed valuation of the property within the development project area;
- (q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
- (r) The general land uses to apply in the development area;
- (s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;
- (t) The total number of full-time equivalent positions in the development area;

- (u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;
- (v) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty- first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;
- (w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- (x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;
- (y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;
- (z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;
- (aa) A list of other community and economic benefits to result from the project;
- (bb) A list of all development subsidies that any business benefitting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;
- (cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act\*\* is being sought;
- (dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;
- (ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;
- (ff) A list of competing businesses in the county containing the development area and in each contiguous county;
- (gg) A market study for the development area;
- (hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

10. The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs

created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval.

**EXHIBIT B**



**STATE SUPPLEMENTAL TAX INCREMENT FINANCING  
PROGRAM APPLICATION AND SUBMISSION INSTRUCTIONS**

**PART I. Applicant**

1. Name and address of Applicant: \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Applicant's spokesperson: \_\_\_\_\_  
(Name) (Title) (Telephone)

**PART II. Developer**

1. Name and address of Developer: \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Street) (P.O. Box) (City) (Zip Code)
2. Name of Developer's spokesperson: \_\_\_\_\_  
(Name) (Title) (Telephone)

**PART III. Project**

1. Name of the Project: \_\_\_\_\_
2. General description of the Project:  
\_\_\_\_\_  
\_\_\_\_\_

**PART IV. Submissions**

The Applicant shall submit four copies of this Program Application, together with the information listed on Schedule I attached hereto, to the address listed below.

Signature of Applicant's Spokesperson:

\_\_\_\_\_ Date: \_\_\_\_\_

**RETURN TO:**  
**Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102**



**SCHEDULE I TO  
PROGRAM APPLICATION**

**Application Form and Instructions for Submission of the Application**

1. Restate all information (updated as necessary) included in the Precertification Request Form.
2. An **affidavit** (updated to a date within 15 days of the Program Application) that is signed by the developer or developers attesting :
  - a. that the provisions of subdivision (1) of section 99.810 have been met;
  - b. that the Redevelopment Area would not be reasonably anticipated to be developed without the PILOTS, EATS and the appropriation of the New State Revenues; and
  - c. that the developer will not proceed with the project without the appropriation of New State Revenues.
3. The **resolution** adopted by the TIF Commission recommending approval or disapproval of the redevelopment plan or Redevelopment Project.
4. The **ordinance** adopted by the governing body of the municipality, which shall include the findings required by Section 9.810 of the TIF Act.
5. The **time period** of state assistance with detailed justification for any request in excess of 15 years.

## Statutory Reference for State TIF

### Section 99.845, RSMo

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the **new state revenues**, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.
5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.
6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.
7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.
8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

- a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld

by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twenty-three years.

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.