



State of Missouri TAX INCREMENT FINANCE PROGRAM Program Summary

COMMON NAME: MO TIF

LEGAL NAME: The TIF Act

STATUTORY CITATION: §§ 99.800 – 99.865 RSMO

PROGRAM TYPE: Redevelopment

FUNDING LIMITS: Funding may be up to 100% of the local property tax and 50% of the economic activity taxes. The Bonds or other obligations secured by local TIF revenues must mature within 23 years. If State revenues are used, the program is limited in any year to the amount appropriated by the General Assembly, not to exceed \$32,000,000 per year.

TYPE OF BENEFITS: Local property tax, local sales tax, utility tax, and earnings tax for Local TIF designations. If a State TIF or Super TIF, then the benefits would also include state sales tax and withholding tax.

DESCRIPTION OF BENEFITS: Local TIF provides for the use of local property tax up to 100% of the incremental value up to 23 years and 50% of the incremental value derived from economic activity taxes (includes sales, utility and earnings taxes) for a period of 23 years. If the TIF is designated as a State TIF, then the incremental value from state sales tax and withholding taxes would also be made available.

ALLOWED USES OF BENEFITS: The TIF Act provides for the use of tax increment financing to pay all reasonable or necessary costs incurred or incidental to a redevelopment project. Typical costs include: costs of studies, surveys and plans; professional fees; land acquisition and demolition costs; costs of rehabilitating and repairing existing buildings; public improvements; financing costs, including bond issuance costs, capitalized interest and reasonable reserves; capital costs incurred by any taxing jurisdiction as a direct result of the project; relocation costs; and payment in lieu of taxes.

ELIGIBLE GEOGRAPHIC AREA: Statewide

ELIGIBLE BUSINESS TYPES: Projects are evaluated upon their own merits. A project is reviewed based upon the overall economic impact opportunity after the redevelopment of the specified project area.



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BENEFITS ELIGIBILITY REQUIREMENTS: The TIF Act requires the municipality to make two key determinations before approving a TIF project. The first is the “blight” or “conservation” test: the redevelopment area must be classified as a “blighted” or a “conservation” area. If the TIF Act power of condemnation will be used, the redevelopment plan must include a parcel-by-parcel determination of blight. “But for” test: but for the adoption of the redevelopment plan, the redevelopment area would not reasonably be anticipated to be developed. The TIF Act requires the developer to provide an affidavit of this determination.

SPECIAL REQUIREMENTS: Any county that desires to implement a TIF project within the boundaries of a city within the county must first obtain the permission of the city’s governing body. Municipality driven TIFs also have several creation criteria; please refer to the detail summary or statute.

INTERNET LINKS:

Statutes: <http://www.moga.mo.gov/STATUTES/STATUTES.HTM>

Missouri Department of Economic Development: www.MissouriDevelopment.org

SOURCES: “Local TIF” and “State TIF” Missouri Department of Economic Development