

COURT ISSUES MORATORIUM ON NEW TIF PROJECTS DUE TO CITY'S REPORTING VIOLATION

A recent court decision shows that judges are willing to hold a municipality responsible for failing to strictly comply with Tax Increment Financing (TIF) reporting requirements.

The Circuit Court of Boone County held that the City of Columbia is prohibited from implementing any new TIF projects through December 31, 2019 because it failed to comply with statutory reporting requirements related to its administration of current TIF projects (*State of Missouri v. City of Columbia*, 14BA-CV00493).

The City unsuccessfully argued that it shouldn't be held responsible because there were no notices of violation of the reporting requirements by the State of Missouri departments that should have received the reports. In addition, it argued that there was little information to report. Under § 99.865 of the Missouri Revised Statutes, a municipality that fails to comply with the reporting requirements is prohibited from implementing any new TIF project for no less than five years from the municipality's last violation.

Improper reporting can lead to severe disciplinary action. Armstrong Teasdale and its subsidiary Development Dynamics are available to affordably assist municipalities in complying with their TIF and other public-finance related reporting requirements

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