

LEGISLATURE IMPOSES NEW TIF RESTRICTIONS WHILE OFFERING REPRIEVE FOR TIF REPORTING VIOLATIONS

The Missouri legislature passed [new legislation](#) amending the Tax Increment Financing (TIF) laws that, subject to Gov. Jay Nixon's decision to sign into law, is expected to go into effect on or about August 28, 2016.

Under the new legislation, a municipality, or its designee, must submit a report by November 15 of each year for each redevelopment plan and redevelopment project in existence on December 31 of the preceding year. As [previously reported](#) by Armstrong Teasdale, a municipality's failure to comply with TIF reporting requirements resulted on a moratorium on any new TIF projects for no less than five years from the municipality's last violation. Municipalities should be relieved to know that under the new legislation, a municipality will now receive notice if it fails to comply with its TIF reporting requirements and have 60 days to correct the violation before the moratorium may be imposed.

In addition to a new provision requiring greater transparency for TIF commissions, municipalities should be aware of the following additional TIF restrictions:

- In St. Charles County, Jefferson County, and St. Louis County, a recommendation of approval on a proposed redevelopment plan, project, designation, or amendment requires a majority vote of the commissioners voting for approval with a tied vote being deemed a recommendation in opposition.
- Currently, any municipality could approve a proposed redevelopment plan, project, designation, or amendment upon a two-thirds majority vote of its governing body if it did not receive a recommendation from the majority of its TIF commission members. Under the new legislation, in St. Charles County, Jefferson County, and St. Louis County, the municipal authority may still approve upon a two-thirds majority vote, however, the approved redevelopment plan, project, designation, or amendment must be restricted to paying only those redevelopment project costs related to the demolition of buildings and the clearing and grading of land.

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- Adoption of new TIF shall not supersede, alter, or reduce in any way a property tax levied under [Section 205.971](#) of the Missouri Revised Statutes. Previously, county boards, upon voter approval, could levy a property tax to establish and maintain county sheltered workshops, residences, facilities, or other related services.

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