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Missouri Senate Passes Law Banning TIFs in Flood Plains.

The Missouri Senate on Thursday passed and sent the House a bill that would prohibit using tax increment financing plans in flood plains.

In a TIF, most of the property taxes billed on properties within a designated TIF district are used to pay for improvements in the district, rather than being distributed to the public schools, library district, fire district and other government bodies that use property tax collections for their operations.

TIFs were created to help with the development — mostly commercial development — of blighted or other undeveloped areas.

Sen. Andrew Koenig, R-Manchester, sponsored this year's bill.

"This is a compromise (bill) going back to last year," he told reporters after Thursday's 33-0 vote sending the measure to the House. "Going back to 2008, we've had 27 states of emergency due to flooding.

"And when you have development in a flood plain, it's going to create more flooding problems downstream."

During the Senate's brief discussion before Thursday's vote, Sen. Jill Schupp, D-Creve Coeur, told Koenig: "I think this is a step forward that we can truly use these funds in areas that are blighted — and we can discourage building in flood plains, that causes so many problems."

But, even if the bill becomes law, it won't stop all development in flood plains.

Mid-Missourians who travel into the St. Louis area on Interstate 64/U.S. 40 drive through the Chesterfield Valley.

Before the record-setting floods of 1993, that area was mostly open, agricultural land with some residential and commercial buildings.

After the floods, the levee was raised and the area was transformed into numerous shopping centers, restaurants, office buildings and some high-dollar automobile dealerships.

"I don't think we should be risking taxpayer dollars in a risky situation like a flood plain," Senate President Pro Tem Dave Schatz, R-Sullivan — whose district includes the Chesterfield Valley — told reporters.

"Obviously, if private investment wants to go and invest in those areas, we're not prohibiting that from occurring."

Senate Minority Leader Gina Walsh, D-Bellefontaine Neighbors, agreed.

"I have always been of the belief that, if they want it and it's going to be profitable, they are going to build it with that TIF or without it," Walsh told reporters. "Folks will continue to build infrastructure and shopping centers.

"A lot of them will take the risk, if they investigate and find it's feasible."

Ultimately, TIFs are decided by local governments, even as they are guided by the state's laws.

For instance, in Jefferson City, the Farmer Companies received TIFs from the Jefferson City Council for improvements at the Capital Mall and for redevelopment of the former St. Mary's Hospital property.

Neither of those are in a flood plain, so the proposed new law wouldn't have affected them — and the new law wouldn't be retroactive, so it won't impact existing TIFs if it becomes law.

However, it does include language that limits an amendment to an existing TIF, "provided that such an amendment does not add buildings of new construction in excess of (25) percent of the scope of the original redevelopment agreement."

Walsh said TIFs serve a purpose.

"I have always thought that TIFs were a good tool," she explained, "but I have always also thought they were misused in places, and left empty boxes sitting along our highways and in districts across our state."

Koenig told colleagues before Thursday's vote: "This is significant for schools, for our library districts, our fire districts.

"It makes sure that our tax dollars actually go to the entities that provide government services."

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by Bob Watson

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