
Municipal Issue Report

Report No. 2009-3

October 19, 2009

New Penalty For Failure to File Annual Tax Increment Financing Report- November 16, 2009 Deadline Approaching

HB 191 Update

The TIF Act (defined below) now penalizes cities that fail to file an annual report with the Missouri Department of Economic Development! **The deadline for filing this year's annual report is November 16, 2009.**

History of TIF Reporting

Prior to the 2009 legislative session, municipalities were required to “prepare a report concerning the status of each redevelopment plan and redevelopment project” and to submit the report to the Missouri Department of Economic Development (the “DED”) annually. § 99.865.1 RSMo. The reporting period in the annual report can be for any 12-month period ending prior to September 30, 2009.

Recent Changes

Changes implemented by HB 191 from the 2009 legislative session, effective August 28, 2009, revise portions of the Real Property Tax Increment Allocation Redevelopment Act, §§ 99.800-99.865 RSMo (the “TIF Act”), to include a potentially severe penalty provision for cities that fail to file the above described annual report with DED.

Penalty Provision

Specifically, “[a]ny municipality which fails to comply with the reporting requirements ... shall be **prohibited from implementing any new tax increment finance project for a period of no less than five years**.” § 99.865.7 RSMo. Thus, it is imperative to prepare and file these annual reports in a timely manner to ensure your city’s ability to utilize the TIF Act for future redevelopment projects. Moreover, if your municipality has not in prior years completed and filed annual reports respecting the status of your municipality’s redevelopment plan and projects, it is recommended you do so at your earliest convenience.

Additional TIF Act Requirements

In addition to the annual reporting requirements described above, the TIF Act also imposes responsibilities on municipalities that utilize tax increment financing, including without limitation, the following:

- (1) each municipality shall publish annually in a newspaper of general circulation within the municipality a report showing payment in lieu of taxes (“PILOTS) received and expended during that year, the status of the redevelopment plan and all projects therein, the amount of outstanding bonded indebtedness, and any additional information deemed necessary by the municipality;

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- (2) each municipality shall hold a public hearing, beginning five (5) years after the establishment of the redevelopment plan and every five (5) years thereafter, to determine whether each redevelopment project is making satisfactory progress toward completion under the time schedule set out in its approved plan; notice of each such public hearing must be published in a newspaper of general circulation in the area served by the commission once a week for four (4) consecutive weeks immediately prior to the hearing;
- (3) municipalities, or their respective commissions, shall send copies of all hearing notices required by §§ 99.825 and 99.830 RSMo to DED; and
- (4) municipalities shall report to DED by the last day of February each year the name, address, phone number, and primary line of business of any business that relocates to any redevelopment area. §§ 99.810.1 and 99.830.4 RSMo.

Resources

For your convenience, you may access this year's form report and other information on DED's website by clicking on each of the following:

[Tax Increment Financing Annual Report](#)
[Instructions to Local TIF Annual Reporting](#)
[Research Toolbox \(Local TIF\)](#)

Alternatively, you may access these forms and this report on our website: [CLICK HERE](#).

How to Contact the DED

Should you have any questions regarding the completion of the Tax Increment Financing Annual Report, you may contact the Missouri Department of Economic Development at 573.751.4962 or Ann Perry, Business and Community Services Development Finance Team, at 573-522-8004, and ann.perry@ded.mo.gov.

This update is not exhaustive and is intended only as an outline of the significant revisions to the TIF Act. Each municipality should consult with their legal counsel to ensure the requirements are met for their individual circumstances. To access prior CVR Reports, [CLICK HERE](#).

Further questions may be directed to:

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