

Chapter 353 Abatement

STATUTORY CITATION: §§ 353 RSMO

FUNDING LIMITS: Up to 100% of real property except the amount of tax on the land.

TYPE OF BENEFITS: Reduction of real property tax.

DESCRIPTION OF BENEFITS:

An incentive that can be utilized by cities to encourage the redevelopment of blighted areas by providing real property tax abatements.

ALLOWED USES OF BENEFITS:

Tax abatement is available for a period of 25 years, which begins to run when the Urban Redevelopment Corporation takes title to the property. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land, exclusive of improvements, during the calendar year preceding the calendar year during which the Urban Redevelopment Corporation acquired title to the real property. During the next 15 years, the real property may be assessed up to 50% of its true value. This means that the city may approve a development plan, which provides full tax abatement for 25 years.

Payments in lieu of taxes (PILOTS) may be imposed on the Urban Redevelopment Corporation by contract with the city. PILOTS are paid on an annual basis to replace all or part of the real estate taxes, which are abated. The PILOTS must be allocated to each taxing district according to their proportionate share of ad valorem property taxes. 353.110.4, RSMo.

ELIGIBLE GEOGRAPHIC AREA: “Blighted areas” in Missouri

ELIGIBLE BUSINESS TYPES: For-Profit “Urban Redevelopment Corporations”

BENEFITS ELIGIBILITY REQUIREMENTS:

Real property that has been found to be a “blighted area” by the city.

Notes: “Blighted area” is defined as: *That portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic and social liabilities, and such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.*



FOR MORE INFORMATION VISIT:

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

Missouri Department of Economic Development: www.MissouriDevelopment.org

Source: "Chapter 353 Tax Abatement" Missouri Department of Economic Development.