

# More Sensible Development and Floodplain Management Support SB 22



Senate Bill 22 modifies provisions to Tax Incremented Financing agreements (TIFs). It prohibits developers from receiving TIFs in FEMA designated floodplains. Regulating floodplain use through tax adjustments is one of multiple tools urged by FEMA to prevent future flooding.

## Floods Are a Huge Issue

There has been an average of at least one major flood disaster declared in Missouri each year for the past 30 years.

In 2017, the total estimated cost of flood damage in Missouri was over 86 million dollars.

In 2017, over 1200 homes were damaged by flooding in Missouri.

15 people lost their lives in MO in 2015 due to flooding. It is one of the primary killers caused by extreme weather in Missouri.\*



## Subsidizing Bad Development is Bad Policy

TIFs were originally designed to help blighted urban areas attract new development opportunities by removing risk and giving incentive to build in a community. This would help the business with reduced tax and help out the community with the prospect of tax dollars down the road.

However, if a TIF is given in a floodplain area, when the next flood occurs the business will be flooded and may or may not rebuild. Federal and local assistance will be needed, costing additional tax dollars.

## Protective of Taxpayer Money

SB 22 seeks to protect taxpayer dollars.

In theory, TIFs help developers to undertake projects in areas in dire need of economic growth. In reality, TIFs are often used to subsidize politically-connected developers and to help cities lure chosen businesses from other cities. This bill will help reduce TIF abuse.\*\*

\* [https://sema.dps.mo.gov/plan\\_and\\_prepare/flooding.php](https://sema.dps.mo.gov/plan_and_prepare/flooding.php)

\*\* <https://showmeinstitute.org/blog/corporate-welfare/tax-increment-financing-and-columbia-missouri>

Senate Bill 22 was filed by Sen. Andrew Koenig.