Prohibiting City Tax Incentives for Data Centers

Board Bill 55
Sponsored by Alderwoman Alisha Sonnier

OVERVIEW OF BOARD BILL 55

Creates a new Section 3.160.040, titled "Prohibition of Tax Incentives for Data Centers":

- **THE WHAT**: Bars the City and any decision-making body from approving, granting, or even accepting applications for tax incentives on any data center projects.
    - Applies regardless of jobs created or zoning status.
    - This means **NO**: TIF, Tax Abatement, Ch. 353, LCRA, PIEA, Ch. 100 bonds, Enhanced Enterprise Zone, PILOTs.
- **THE WHY**: Subsidies should support development that wouldn't happen otherwise and delivers real community benefit.

➢ **What BB 55 doesn't do: Does not affect State tax incentives, this is City-only.**

➢ **Datacenter is defined the same as as Board Bill 49**

OVERVIEW OF BOARD BILL 55

Definition of datacenter comes from Board Bill 49

Data Center: Data Center means a facility used primarily for the storage, management, processing, and transmission of digital data and that houses computer or network equipment, systems, servers, appliances, and other associated components related to digital data storage, processing, and related operations. Data center uses include data storage facilities, server farms, artificial intelligence training or processing, image processing, cloud computing, email servicing, and similar uses. A Data Center may be a primary or secondary use.

Major: Major Data Center means a data center with square footage greater than 250,000 and less than 500,000, or with a Maximum Power Demand of 30 megawatts or more.

Micro: Micro Data Center means a data center with square footage less than 10,000 gross square feet and Maximum Power Demand less than 5 megawatts.

Standard: Standard Data Center means a data center with square footage ofmore than 10,000 gross square feet and less than 250,000, and Maximum Power Demand of more than 5 megawatts but less than 30 megawatts.

OVERVIEW OF BOARD BILL 55

Creates a new Section 3.160.040, titled “Prohibition of Tax Incentives for Data Centers”:

- **Repeal and replaces** current definition of "**Tax Incentives**” found in **3.160.010(ab)**
  - **“means real or personal property tax abatement, tax increment financing, or construction material sales tax exemption.”**

- <u>The new definition defines tax incentives comprehensively and wholly.</u>

OVERVIEW OF BOARD BILL 55

Creates a new Section 3.160.040, titled "Prohibition of Tax Incentives for Data Centers":

Page 2, Line 13: The term "Tax Incentives," as currently defined under Chapter 3.160.010(ab), shall be repealed and replaced with the following: Tax Incentives means any **tax incentive, tax abatement, tax exemption, tax credit, payment in lieu of taxes**, or **financing benefit** administered, approved, authorized, or granted by the City or any Decision-Making Body, including without limitation:

- ➢ **(a)** tax increment financing under the Real Property Tax Increment Allocation Redevelopment Act, §§ 99.800–99.865 RSMo;
- ➢ **(b)** real property tax abatement under the Urban Redevelopment Corporations Law (Chapter 353), §§ 353.010–353.190 RSMo;
- ➢ **(c)** tax abatement granted through the Land Clearance for Redevelopment Authority, §§ 99.300–99.660 RSMo;
- ➢ **(d)** tax abatement granted through the Planned Industrial Expansion Authority, §§ 100.300–100.620 RSMo;

QUESTIONS?