



## **THE NEWTON COUNTY COMMISSION**

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County officials were disappointed to receive a petition and summons from the City of Neosho regarding non-compliance of TIF statutes.

The City of Neosho has alleged that Newton County has “disregarded their duty under Missouri law to pay portions of sales tax money to the City this is a misrepresentation of the truth. In written communication to the City of Neosho as recently as September 29, 2021, Newton County stated “Upon receipt of the EATS [TIF Funds/sales tax] Invoices, the County will cause such obligation to be included in the 2022 County budget for appropriation and payment to the treasurer for deposit in the EATS Account of the TIF Fund. The County will also project estimated 2022 EATS from the trending data of the EATS Invoices to budget for the 2022 EATS collection and payment to the treasurer for deposit in the EATS Account of the TIF Fund.” The County will follow the practice that has been in place with the City since the Neosho TIF was established in 1999 of the County making payment after receipt of a detailed invoicing from the City is reviewed and reconciled to County tax collections per the Redevelopment Plan. The County has not received an invoice from the City post 2016.

In the same communication mentioned above the County asked the City to enter into a Cooperative Agreement regarding the Termination of the Neosho TIF which is set to terminate in July 2022 so that all the taxing districts located within the boundaries of the Neosho TIF can receive a full accounting of TIF receipts and disbursements. Such an accounting is required to be presented by the City in a public hearing format every five (5) years during the term of the TIF plan. These periodic TIF Act required public hearings for redevelopment plan progress have not been held since plan adoption in 1999. County officials believe the other taxing districts, especially the Neosho R-5 School District, may have the opportunity for the return of surplus funds not expended on the scope of projects set forth in the Redevelopment Plan of the Neosho Tax Increment Finance District on July 6, 1999. The money does not belong to the City, except to the extent that it is collected and deposited into the TIF fund for the Neosho TIF projects which the City had previously publicly represented were completed. Under the TIF Act any surplus funds are to be returned to the taxing districts. Newton County is simply seeking an accounting of the receipts and expenditures related to the Neosho TIF as it nears termination, especially in light of the absence of public hearings.

Also, in the proposed Cooperative Agreement, the County also asked for financial documentation that the City has deposited its lawful portion of sales tax into the City TIF fund., in earlier correspondence between the City and the County the City indicated they were ceasing their sales tax deposits into the TIF funds in 2017. It is only fair that the City must follow the same statutes as is expected of other taxing districts. This filing certainly lacks City transparency and projects a reluctance for City accountability for their use of tax revenues of other taxing districts.