

# SENATE BILL NO. 884

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROBERTS.

3051S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 253.545, 253.550, 253.557, 253.559, and 620.1900, RSMo, and to enact in lieu thereof six new sections relating to facilities of historic significance.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 253.545, 253.550, 253.557, 253.559, and 620.1900, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 253.544, 253.545, 253.550, 253.557, 253.559, and 620.1900, to read as follows:

**253.544. Sections 253.544 to 253.559 shall be known and may be cited as the "Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act".**

253.545. As used in sections [253.545] **253.544** to 253.559, the following terms mean, unless the context requires otherwise:

(1) **"Applicable percentage":**

(a) **For the rehabilitation of a property that receives or intends to receive a state tax credit under sections 135.350 to 135.363, twenty-five percent;**

(b) **For the rehabilitation of a property located in a qualifying county approved for a state tax credit and that is not a property that receives or intends to receive a state tax credit under sections 135.350 to 135.363, thirty-five percent; or**

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

13           (c) **For the rehabilitation of a property not located**  
14 **in a qualifying county approved for a tax credit, twenty-**  
15 **five percent;**

16           (2) "Certified historic structure", a property located  
17 in Missouri and listed individually on the National Register  
18 of Historic Places;

19           [(2)] (3) "Deed in lieu of foreclosure or voluntary  
20 conveyance", a transfer of title from a borrower to the  
21 lender to satisfy the mortgage debt and avoid foreclosure;

22           (4) "Department", **the department of economic**  
23 **development;**

24           [(3)] (5) "Eligible property", property located in  
25 Missouri and offered or used for residential or business  
26 purposes;

27           (6) "Eligible recipient", **an individual taxpayer or**  
28 **nonprofit entity incurring expenses in connection with an**  
29 **eligible property;**

30           [(4)] (7) "Leasehold interest", a lease in an eligible  
31 property for a term of not less than thirty years;

32           [(5)] (8) "Principal", a managing partner, general  
33 partner, or president of a taxpayer;

34           [(6) "Projected net fiscal benefit", the total net  
35 fiscal benefit to the state or municipality, less any state  
36 or local benefits offered to the taxpayer for a project, as  
37 determined by the department of economic development;

38           [(7)] (9) "Qualified census tract", a census tract **or**  
39 **census block** with a poverty rate of twenty percent or higher  
40 as determined by a map and listing of census tracts which  
41 shall be published by the department [of economic  
42 development] and updated on a five-year cycle, and which map  
43 and listing shall depict census tracts with twenty percent  
44 poverty rate or higher, grouped by census tracts with twenty

45 percent to forty-two percent poverty, and forty-two percent  
46 to eighty-one percent poverty as determined by the most  
47 current five-year figures published by the American  
48 Community Survey conducted by the United States Census  
49 Bureau;

50 **(10) "Qualified rehabilitation standards", the**  
51 **Secretary of the Interior's Standards for Rehabilitation,**  
52 **codified under 36 CFR 67;**

53 **(11) "Qualifying county", any county or portion**  
54 **thereof in this state that is not:**

55 **(a) Within a city with more than four hundred thousand**  
56 **inhabitants and located in more than one county; or**

57 **(b) A city not within a county;**

58 **[(8)] (12) "Structure in a certified historic**  
59 **district", a structure located in Missouri which is**  
60 **certified by the [department of natural resources] state**  
61 **historic preservation office** as contributing to the historic  
62 significance of a certified historic district listed on the  
63 National Register of Historic Places, or a local district  
64 that has been certified by the United States Department of  
65 the Interior;

66 **[(9)] (13) "Taxpayer", any person, firm, partnership,**  
67 **trust, estate, limited liability company, or corporation;**

68 **(14) "Theater", any historic theater that is a**  
69 **certified historic structure or is located in a historic**  
70 **district;**

71 **(15) "Vacant school", any historic school that is a**  
72 **certified historic structure or that is located in a**  
73 **historic district.**

253.550. 1. **(1)** Any taxpayer incurring costs and  
2 expenses for the rehabilitation of eligible property, which  
3 is a certified historic structure or structure in a

4 certified historic district, may, subject to the provisions  
5 of this section and section 253.559, receive a credit  
6 against the taxes imposed pursuant to chapters 143 and 148,  
7 except for sections 143.191 to 143.265, on such taxpayer in  
8 an amount equal to twenty-five percent of the total costs  
9 and expenses of rehabilitation incurred after January 1,  
10 1998, which shall include, but not be limited to, qualified  
11 rehabilitation expenditures as defined under Section  
12 47(c)(2)(A) of the Internal Revenue Code of 1986, as  
13 amended, and the related regulations thereunder, provided  
14 the rehabilitation costs associated with rehabilitation and  
15 the expenses exceed fifty percent of the total basis in the  
16 property and the rehabilitation meets standards consistent  
17 with the standards of the Secretary of the United States  
18 Department of the Interior for rehabilitation as determined  
19 by the state historic preservation officer of the Missouri  
20 department of natural resources. **Ten percent of such total  
21 costs and expenses of rehabilitation upon which the tax  
22 credit is based may be incurred for building stabilization  
23 before the taxpayer submits the application for tax credits  
24 under sections 253.544 to 253.559.**

25 (2) **Any taxpayer incurring costs and expenses for the  
26 rehabilitation of eligible property that is in a qualifying  
27 county and is a certified historic structure or a structure  
28 in a certified historic district shall, subject to the  
29 provisions of this section and section 253.559, receive a  
30 credit against the taxes imposed under chapters 143 and 148,  
31 excluding withholding tax imposed under sections 143.191 to  
32 143.265, on such taxpayer in an amount equal to thirty-five  
33 percent of the total costs and expenses of rehabilitation  
34 incurred on or after July 1, 2024. Ten percent of the total  
35 costs and expenses of rehabilitation upon which the tax**

36 credit is based may be incurred for building stabilization  
37 before the taxpayer submits the application for tax credits  
38 under sections 253.544 to 253.559. Such total costs and  
39 expenses of rehabilitation shall include, but not be limited  
40 to, qualified rehabilitation expenditures as defined under  
41 26 U.S.C. Section 47(c)(2)(A), as amended, and related  
42 regulations, if:

43 (a) Such qualified rehabilitation expenditures exceed  
44 fifty percent of the total basis in the property; and

45 (b) The rehabilitation meets the qualified  
46 rehabilitation standards of the Secretary of the United  
47 States Department of the Interior for rehabilitation of  
48 historic structures.

49 (3) State historic rehabilitation standards shall not  
50 be more restrictive than the Secretary of the Interior's  
51 Standards for Rehabilitation set forth under 36 CFR 67.

52 2. (1) [During the period beginning on January 1,  
53 2010, but ending on or after June 30, 2010, the department  
54 of economic development shall not approve applications for  
55 tax credits under the provisions of subsections 4 and 10 of  
56 section 253.559 which, in the aggregate, exceed seventy  
57 million dollars, increased by any amount of tax credits for  
58 which approval shall be rescinded under the provisions of  
59 section 253.559. For each fiscal year beginning on or after  
60 July 1, 2010, but ending before June 30, 2018, the  
61 department of economic development shall not approve  
62 applications for tax credits under the provisions of  
63 subsections 4 and 10 of section 253.559 which, in the  
64 aggregate, exceed one hundred forty million dollars,  
65 increased by any amount of tax credits for which approval  
66 shall be rescinded under the provisions of section 253.559.  
67 For each fiscal year beginning on or after July 1, 2018,]

68 The department [of economic development] shall not approve  
69 applications for tax credits **for properties not located in a**  
70 **qualified census tract** under the provisions of subsections  
71 [4] 6 and [10] 12 of section 253.559 which, in the  
72 aggregate, exceed ninety million dollars, increased by any  
73 amount of tax credits for which approval shall be rescinded  
74 under the provisions of section 253.559. The limitations  
75 provided under this subsection shall not apply to  
76 applications approved under the provisions of subsection [4]  
77 6 of section 253.559 for projects to receive less than [two]  
78 **three** hundred [seventy-five] thousand dollars in tax  
79 credits, **which number shall be annually adjusted by the**  
80 **percentage increase in the Consumer Price Index for All**  
81 **Urban Consumers, or its successor index, as such index is**  
82 **defined and officially reported by the United States**  
83 **Department of Labor, or its successor agency.**

84 (2) For each fiscal year beginning on or after July 1,  
85 2018, the department shall authorize an amount up to, but  
86 not to exceed, an additional thirty million dollars in tax  
87 credits issued under subsections [4] 6 and [10] 12 of  
88 section 253.559, provided that such tax credits are  
89 authorized solely for projects located in a qualified census  
90 tract. **Projects that receive preliminary approval that are**  
91 **located within a qualified census tract may receive an**  
92 **authorization of tax credit under either subdivision (1) of**  
93 **this subsection or this subdivision, but such projects shall**  
94 **first be authorized from the tax credit amount in this**  
95 **subdivision before being authorized from the tax credit**  
96 **amount in subdivision (1) of this subsection. The thirty**  
97 **million dollars in tax credits provided in this subdivision**  
98 **shall be annually adjusted by the percentage increase in the**  
99 **Consumer Price Index for All Urban Consumers, or its**

100 **successor index, as such index is defined and officially**  
101 **reported by the United States Department of Labor, or its**  
102 **successor agency.**

103 (3) For each fiscal year beginning on or after July 1,  
104 2018, if the maximum amount of tax credits allowed in any  
105 fiscal year as provided under subdivisions (1) and (2) of  
106 this subsection is authorized, the maximum amount of tax  
107 credits allowed under [subdivision (1)] **subdivisions (1) and**  
108 **(2)** of this subsection shall be adjusted by the percentage  
109 increase in the Consumer Price Index for All Urban  
110 Consumers, or its successor index, as such index is defined  
111 and officially reported by the United States Department of  
112 Labor, or its successor agency. Only one such adjustment  
113 shall be made for each instance in which the provisions of  
114 this subdivision apply. The director of the department [of  
115 economic development] shall publish such adjusted amount.

116 3. (1) For all applications for tax credits approved  
117 on or after January 1, 2010, no more than two hundred fifty  
118 thousand dollars in tax credits may be issued for eligible  
119 costs and expenses incurred in the rehabilitation of an  
120 eligible property [which] **that** is a [nonincome] **non-income-**  
121 **producing single-family[, owner-occupied]** residential  
122 **property occupied by the taxpayer applicant or any relative**  
123 **within the third degree of consanguinity or affinity of such**  
124 **applicant and that** is either a certified historic structure  
125 or a structure in a certified historic district.

126 (2) For all applications for tax credits, an amount  
127 equal to the applicable percentage may be issued for  
128 eligible costs and expenses incurred in the rehabilitation  
129 of an eligible property that is a non-income-producing  
130 single-family residential property occupied by the taxpayer  
131 applicant or any relative within the third degree of

132 **consanguinity or affinity of such applicant and that is**  
133 **either a certified historic structure or a structure in a**  
134 **certified historic district. For properties not located in**  
135 **a qualifying county, tax credits shall not be issued under**  
136 **this subdivision unless the property is located in a**  
137 **distressed community, as defined under section 135.530.**

138 4. The limitations on tax credit authorization  
139 provided under the provisions of subsection 2 of this  
140 section shall not apply to:

141 (1) Any application submitted by a taxpayer, which has  
142 received approval from the department prior to October 1,  
143 2018; or

144 (2) Any taxpayer applying for tax credits, provided  
145 under this section, which, on or before October 1, 2018, has  
146 filed an application with the department evidencing that  
147 such taxpayer:

148 (a) Has incurred costs and expenses for an eligible  
149 property which exceed the lesser of five percent of the  
150 total project costs or one million dollars and received an  
151 approved Part I from the Secretary of the United States  
152 Department of Interior; or

153 (b) Has received certification, by the state historic  
154 preservation officer, that the rehabilitation plan meets the  
155 **qualified rehabilitation** standards [consistent with the  
156 standards of the Secretary of the United States Department  
157 of the Interior], and the rehabilitation costs and expenses  
158 associated with such rehabilitation shall exceed fifty  
159 percent of the total basis in the property.

160 5. **A single-resource certified historic structure of**  
161 **more than one million gross square feet with a Part I**  
162 **approval before January 1, 2024, shall not be subject to the**  
163 **dollar caps under subsection 2 of section 253.550 if:**



164 (1) The project otherwise meets all the requirements  
165 of this section;

166 (2) The project meets the ten percent incurred costs  
167 test under subsection 10 of section 253.559 within thirty-  
168 six months after an award is issued; and

169 (3) The taxpayer agrees with the department of  
170 economic development, on a form prescribed by the  
171 department, to claim the original "state historical tax  
172 credits" over three state fiscal years with the initial year  
173 being the calendar year when the tax credits are issued.

253.557. 1. If the amount of such credit exceeds the  
2 total tax liability for the year in which the rehabilitated  
3 property is placed in service, the amount that exceeds the  
4 state tax liability may be carried back to any of the three  
5 preceding years and carried forward for credit against the  
6 taxes imposed pursuant to chapter 143 and chapter 148,  
7 except for sections 143.191 to 143.265 for the succeeding  
8 ten years, or until the full credit is used, whichever  
9 occurs first. Not-for-profit entities[, ] including, but not  
10 limited to, corporations organized as not-for-profit  
11 corporations pursuant to chapter 355 shall be [ineligible]  
12 **eligible** for the tax credits authorized under sections  
13 [253.545 through 253.561] **253.544 to 253.559**. Taxpayers  
14 eligible for [such] tax credits may transfer, sell, or  
15 assign the credits. Credits granted to a partnership, a  
16 limited liability company taxed as a partnership, or  
17 multiple owners of property shall be passed through to the  
18 partners, members, or owners respectively pro rata or  
19 pursuant to an executed agreement among the partners,  
20 members, or owners documenting an alternate distribution  
21 method.

22           2. The assignee of the tax credits, hereinafter the  
23 assignee for purposes of this subsection, may use acquired  
24 credits to offset up to one hundred percent of the tax  
25 liabilities otherwise imposed pursuant to chapter 143 and  
26 chapter 148, except for sections 143.191 to 143.265. The  
27 assignor shall perfect such transfer by notifying the  
28 department [of economic development] in writing within  
29 thirty calendar days following the effective date of the  
30 transfer and shall provide any information as may be  
31 required by the department [of economic development] to  
32 administer and carry out the provisions of this section.

253.559. 1. To obtain approval for tax credits  
2 allowed under sections [253.545] **253.544** to 253.559, a  
3 taxpayer shall submit an application for tax credits to the  
4 department [of economic development]. **The department shall**  
5 **establish an application cycle that allows for year-round**  
6 **submission and year-round receipt and review of such**  
7 **applications.** Each application for approval, including any  
8 applications received for supplemental allocations of tax  
9 credits as provided under subsection [10] **12** of this  
10 section, shall be prioritized for review and approval, in  
11 the order of the date on which the application was  
12 postmarked, with the oldest postmarked date receiving  
13 priority. Applications postmarked on the same day shall go  
14 through a lottery process to determine the order in which  
15 such applications shall be reviewed.

16           2. Each application shall be reviewed by the  
17 department [of economic development] for approval. In order  
18 to receive approval, an application, other than applications  
19 submitted under the provisions of subsection [10] **12** of this  
20 section, shall include:

21           (1) Proof of ownership or site control. Proof of  
22 ownership shall include evidence that the taxpayer is the  
23 fee simple owner of the eligible property, such as a  
24 warranty deed or a closing statement. Proof of site control  
25 may be evidenced by a leasehold interest or an option to  
26 acquire such an interest. If the taxpayer is in the process  
27 of acquiring fee simple ownership, proof of site control  
28 shall include an executed sales contract or an executed  
29 option to purchase the eligible property;

30           (2) Floor plans of the existing structure,  
31 architectural plans, and, where applicable, plans of the  
32 proposed alterations to the structure, as well as proposed  
33 additions;

34           (3) The estimated cost of rehabilitation, the  
35 anticipated total costs of the project, the actual basis of  
36 the property, as shown by proof of actual acquisition costs,  
37 the anticipated total labor costs, the estimated project  
38 start date, and the estimated project completion date;

39           (4) Proof that the property is an eligible property  
40 and a certified historic structure or a structure in a  
41 certified historic district **or part 1 of a federal**  
42 **application or a draft national register of historic places**  
43 **nomination has been submitted to the state historic**  
44 **preservation office;**

45           (5) A copy of [all] land use [and building approvals  
46 reasonably necessary for the commencement of the project]  
47 **plans;** and

48           (6) Any other information [which] the department [of  
49 economic development] may reasonably require to review the  
50 project for approval.

51 Only the property for which a property address is provided  
52 in the application shall be reviewed for approval. Once  
53 selected for review, a taxpayer shall not be permitted to  
54 request the review of another property for approval in the  
55 place of the property contained in such application. Any  
56 disapproved application shall be removed from the review  
57 process. If an application is removed from the review  
58 process, the department [of economic development] shall  
59 notify the taxpayer in writing of the decision to remove  
60 such application. Disapproved applications shall lose  
61 priority in the review process. A disapproved application,  
62 which is removed from the review process, may be  
63 resubmitted, but shall be deemed to be a new submission for  
64 purposes of the priority procedures described in this  
65 section.

66 3. (1) In evaluating an application for tax credits  
67 submitted under this section, the department [of economic  
68 development] shall also consider:

69 (a) The amount of projected net fiscal benefit of the  
70 project to the state and local municipality[, and the period  
71 in which the state and municipality would realize such net  
72 fiscal benefit] **as calculated based on reasonable methods,**  
73 **which shall exclude proprietary computer models;**

74 (b) The overall size and quality of the proposed  
75 project, including, **but not limited to:**

76 a. The estimated number of new jobs **or housing units,**  
77 **or both,** to be created by the project[.];

78 b. **The estimated number of construction jobs and**  
79 **professional jobs associated with the project that are**  
80 **included in total project costs;**

81 c. **Capital improvements created by a project and the**  
82 **potential of future capital improvements;**

83           **d. Increased revenues from sales or property taxes;**  
84           **e.** The potential multiplier effect of the project[,];  
85 and  
86           **f. Other** similar factors; **and**  
87           (c) [The level of economic distress in the area; and  
88           (d)] Input from the local elected officials in the  
89 local municipality in which the proposed project is located  
90 as to the importance of the proposed project to the  
91 municipality. [For any proposed project in any city not  
92 within a county, input from the local elected officials  
93 shall include, but shall not be limited to, the president of  
94 the board of aldermen.]  
95           (2) The provisions of this subsection shall not apply  
96 to **vacant schools or theaters or** applications for projects  
97 to receive less than [two] **three** hundred [seventy-five]  
98 thousand dollars in tax credits, **which number shall be**  
99 **annually adjusted by the percentage increase in the Consumer**  
100 **Price Index for All Urban Consumers, or its successor index,**  
101 **as such index is defined and officially reported by the**  
102 **United States Department of Labor, or its successor agency.**  
103           **4. The state historic preservation office shall allow**  
104 **for a third-party review as evidence that the proposed**  
105 **rehabilitation satisfies the qualified rehabilitation**  
106 **standard.**  
107           **5. (1) The department shall promptly notify the state**  
108 **historic preservation office of each preliminary application**  
109 **for tax credits. After receipt of such notice, the state**  
110 **historic preservation office shall determine whether a**  
111 **rehabilitation satisfies the qualified rehabilitation**  
112 **standards within ninety days of a taxpayer filing an initial**  
113 **application for tax credits. The determination shall be**  
114 **based upon evidence that the rehabilitation will meet**

115 qualified rehabilitation standards, and that evidence shall  
116 consist of one of the following:

117 (a) Preliminary approval by the state historic  
118 preservation office; or

119 (b) An approved part 2 of the federal application,  
120 which the state historic preservation office shall forward  
121 directly to the department without any additional review by  
122 such office.

123 (2) If the state historic preservation office approves  
124 the application for tax credits within the ninety-day  
125 determination period established in subdivision (1) of this  
126 subsection, such office shall forward the application with  
127 any review comments to the National Park Service and shall  
128 forward any such review comments to the applicant. If such  
129 office fails to approve the application within the ninety-  
130 day determination period, such office shall forward the  
131 application without any comments to the National Park  
132 Service and shall have no further opportunity to submit any  
133 comments on such application.

134 (3) Conditions on a state preliminary application or  
135 on part 2 of a federal application shall not delay  
136 preliminary state approval but shall be addressed by the  
137 applicant for final approval of such application.

138 (4) Any application for state tax credits that does  
139 not include an application for federal tax credits or a  
140 nomination to the federal National Register of Historic  
141 Places shall be reviewed by the state historic preservation  
142 office within ninety days of a notice received under  
143 subdivision (1) of this subsection.

144 (5) (a) An application for state tax credits may  
145 provide information indicating that the project is a phased  
146 rehabilitation project as described under 26 U.S.C. Section

147 47, as amended. Such application for a phased  
148 rehabilitation project shall include at least the following:

149 a. A schedule of the phases of the project with a  
150 beginning date for each phase and the expected costs for the  
151 whole project. The applicant may submit detailed plans for  
152 the project at a later time within the application process;

153 b. The adjusted total basis of such project, which  
154 shall be submitted with the schedule of phases of the  
155 project; and

156 c. A statement that the applicant agrees to begin each  
157 phase of such project within twelve months of the start date  
158 for such phase listed in the schedule of the phases.

159 (b) The applicant may submit a preliminary  
160 certification of costs upon the completion of each phase of  
161 the project.

162 (c) Upon approval of the cost certification submitted  
163 and the work completed on each phase of such project, the  
164 department shall issue eighty percent of the amount of the  
165 state tax credit for which the taxpayer is approved under  
166 this section. The remaining twenty percent of the amount of  
167 the state tax credit for which the taxpayer is approved  
168 under this section shall be issued upon the final approval  
169 of the project under this section.

170 (6) If the department determines that the amount of  
171 tax credits issued to a taxpayer under subdivision (5) of  
172 this subsection is in excess of the total amount of tax  
173 credits such taxpayer is eligible to receive, the department  
174 shall notify such taxpayer, and such taxpayer shall repay  
175 the department an amount equal to such excess.

176 [4.] 6. If the department [of economic development]  
177 deems the application sufficient, the taxpayer shall be  
178 notified in writing of the approval for an amount of tax

179 credits equal to the amount provided under section 253.550  
180 less any amount of tax credits previously approved. Such  
181 approvals shall be granted to applications in the order of  
182 priority established under this section and shall require  
183 full compliance thereafter with all other requirements of  
184 law as a condition to any claim for such credits. If the  
185 department [of economic development] disapproves an  
186 application, the taxpayer shall be notified in writing of  
187 the reasons for such disapproval. A disapproved application  
188 may be resubmitted. **If the scope of a project for which an  
189 application has been approved under this section materially  
190 changes, the taxpayer shall be eligible to receive  
191 additional tax credits in the year in which the department  
192 is notified of and approves of such change in scope, subject  
193 to the provisions of subsection 2 of section 253.550 and  
194 subsection 7 of this section, if applicable; however, if  
195 such project was originally approved prior to August 28,  
196 2018, the department shall evaluate the change in scope of  
197 the project under the criteria in effect prior to such  
198 date. A change in project scope shall be considered  
199 material under this subsection if:**

200       (1) The project was not previously subject to a  
201 material change in scope for which additional tax credits  
202 were approved; and

203       (2) The requested amount of tax credits for the  
204 project after the change in scope is higher than the  
205 originally approved amount of tax credits.

206       [5.] 7. Following approval of an application, the  
207 identity of the taxpayer contained in such application shall  
208 not be modified except:

209       (1) The taxpayer may add partners, members, or  
210 shareholders as part of the ownership structure, so long as



211 the principal remains [the same] **a principal of the**  
212 **taxpayer**, provided however, that subsequent to the  
213 commencement of renovation and the expenditure of at least  
214 ten percent of the proposed rehabilitation budget, removal  
215 of the principal for failure to perform duties and the  
216 appointment of a new principal thereafter shall not  
217 constitute a change of the principal; or

218 (2) Where the ownership of the project is changed due  
219 to a foreclosure, deed in lieu of a foreclosure or voluntary  
220 conveyance, or a transfer in bankruptcy.

221 [6.] 8. In the event that the department [of economic  
222 development] grants approval for tax credits equal to the  
223 total amount available **or authorized, as applicable**, under  
224 subsection 2 of section 253.550, or sufficient that when  
225 totaled with all other approvals, the amount available **or**  
226 **authorized, as applicable**, under subsection 2 of section  
227 253.550 is exhausted, all taxpayers with applications then  
228 awaiting approval or thereafter submitted for approval shall  
229 be notified by the department [of economic development] that  
230 no additional approvals shall be granted during the fiscal  
231 year and shall be notified of the priority given to such  
232 taxpayer's application then awaiting approval. Such  
233 applications shall be kept on file by the department [of  
234 economic development] and shall be considered for approval  
235 for tax credits in the order established in this section in  
236 the event that additional credits become available due to  
237 the rescission of approvals or when a new fiscal year's  
238 allocation of credits becomes available for approval **or**  
239 **authorized, as applicable**.

240 [7.] 9. All taxpayers with applications receiving  
241 approval on or after July 1, 2019, shall submit within  
242 [sixty] **one hundred twenty** days following the award of

243 credits evidence of the capacity of the applicant to finance  
244 the costs and expenses for the rehabilitation of the  
245 eligible property in the form of a line of credit or letter  
246 of commitment subject to the lender's termination for a  
247 material adverse change impacting the extension of credit.  
248 If the department [of economic development] determines that  
249 a taxpayer has failed to comply with the requirements under  
250 this subsection, then the department shall notify the  
251 applicant of such failure and the applicant shall have a  
252 thirty-day period from the date of such notice to submit  
253 additional evidence to remedy the failure.

254 [8.] 10. All taxpayers with applications receiving  
255 approval on or after the effective date of this act shall  
256 commence rehabilitation within [nine] **eighteen** months of the  
257 date of issuance of the letter from the department [of  
258 economic development] granting the approval for tax  
259 credits. "Commencement of rehabilitation" shall mean that  
260 as of the date in which actual physical work, contemplated  
261 by the architectural plans submitted with the application,  
262 has begun, the taxpayer has incurred no less than ten  
263 percent of the estimated costs of rehabilitation provided in  
264 the application. Taxpayers with approval of a project shall  
265 submit evidence of compliance with the provisions of this  
266 subsection. **Taxpayers shall notify the department of any**  
267 **loss of site control or of any failure to exercise any**  
268 **option to obtain site control within the prescribed time**  
269 **period within ten days of such loss or failure.** If the  
270 department [of economic development] determines that a  
271 taxpayer has **lost or failed to obtain site control of the**  
272 **eligible property or otherwise** failed to comply with the  
273 requirements provided under this section, the approval for  
274 the amount of tax credits for such taxpayer shall be

275 rescinded [and such amount of tax credits]. **A taxpayer may**  
276 **voluntarily forfeit such approval at any time by written**  
277 **notice to the department. Any approval rescinded or**  
278 **forfeited under this subsection** shall then be included in  
279 the total amount of tax credits **available in the year of**  
280 **such rescission or forfeiture**, provided under subsection 2  
281 of section 253.550, from which approvals may be granted.  
282 Any taxpayer whose approval [shall be subject to rescission]  
283 **is rescinded or forfeited under this subsection** shall be  
284 notified of such from the department [of economic  
285 development] and, upon receipt of such notice, may submit a  
286 new application for the project. **If a taxpayer's approval**  
287 **is rescinded or forfeited under this subsection and such**  
288 **taxpayer later submits a new application for the same**  
289 **project, any expenditures eligible for tax credits under**  
290 **section 253.550 that are incurred by such taxpayer from and**  
291 **after the date of the rescinded or forfeited approval shall**  
292 **remain eligible expenditures for the purposes of determining**  
293 **the amount of tax credits that may be approved under section**  
294 **253.550.**

295 [9.] 11. (1) (a) To claim the credit authorized  
296 under sections [253.550] **253.544** to 253.559, a taxpayer with  
297 approval shall apply for final approval and issuance of tax  
298 credits from the department [of economic development],  
299 which[, in consultation with the department of natural  
300 resources,] shall determine the final amount of eligible  
301 rehabilitation costs and expenses and whether the completed  
302 rehabilitation meets the **qualified rehabilitation** standards  
303 of the Secretary of the United States Department of the  
304 Interior for rehabilitation [as determined by the state  
305 historic preservation officer of the Missouri department of  
306 natural resources].

307           (b) Final approval shall be shown by one of the  
308 following:

309           a. Final approval by the state historic preservation  
310 office; or

311           b. An approved part 3 of the federal application.

312           (c) For applications for tax credits for an eligible  
313 property for which a taxpayer applies for both the federal  
314 historic preservation certification under the Internal  
315 Revenue Code of 1986, as amended, and the state historic tax  
316 credits under section 253.544 to 253.559, a taxpayer may  
317 submit part 1 of the federal application approved by the  
318 National Park Service with such state tax credit  
319 application. In such instances, the state tax credit  
320 application may proceed as a preliminary application  
321 concurrent with the associated federal process for  
322 nomination to the National Register of Historic Places. An  
323 award of tax credits under sections 253.544 to 253.559 shall  
324 be contingent on and awarded upon the listing of such  
325 eligible property on the National Register of Historic  
326 Places.

327           (d) The state historic preservation office shall allow  
328 for a third-party review as evidence that the completed  
329 rehabilitation satisfies the qualified rehabilitation  
330 standards.

331           (2) Within sixty days of the department's receipt of  
332 all materials required by the department for an application  
333 for final approval and issuance of tax credits, which shall  
334 include a state approval by the state historic preservation  
335 office or an approved part 3 of the federal application for  
336 projects receiving federal rehabilitation credits, the  
337 department shall issue to the taxpayer tax credit

338 certificates in the amount of seventy-five percent of the  
339 lesser of:

340 (a) The total amount of the tax credits for which the  
341 taxpayer is eligible as provided in the taxpayer's  
342 certification of qualified expenses submitted with an  
343 application for final approval; or

344 (b) The total amount of tax credits approved for such  
345 project under subsection 3 of this section, including any  
346 amounts approved in connection with a material change in the  
347 scope of the project.

348 (3) Within one hundred twenty days of the department's  
349 receipt of all materials required by the department for an  
350 application of final approval and issuance of tax credits  
351 for a project, the department shall, unless such project is  
352 under appeal under subsection 14 of this section:

353 (a) Make a final determination of the total costs and  
354 expenses of rehabilitation and the amount of tax credits to  
355 be issued for such costs and expenses;

356 (b) Notify the taxpayer in writing of its final  
357 determination; and

358 (c) Issue to the taxpayer tax credit certificates in  
359 an amount equal to the remaining amount of tax credits such  
360 taxpayer is eligible to receive, as determined by the  
361 department, but was not issued in the initial tax credit  
362 issuance under subdivision (2) of this subsection.

363 (4) If the department determines that the amount of  
364 tax credits issued to a taxpayer in the initial tax credit  
365 issuance under subdivision (2) of this subsection is in  
366 excess of the total amount of tax credits such taxpayer is  
367 eligible to receive, the department shall notify such  
368 taxpayer, and such taxpayer shall repay the department an  
369 amount equal to such excess.

370           (5) For financial institutions credits authorized  
371 pursuant to sections [253.550 to 253.561] **253.544 to 253.559**  
372 shall be deemed to be economic development credits for  
373 purposes of section 148.064. The approval of all  
374 applications and the issuing of certificates of eligible  
375 credits to taxpayers shall be performed by the department  
376 [of economic development]. The department [of economic  
377 development] shall inform a taxpayer of final approval by  
378 letter and shall issue, to the taxpayer, tax credit  
379 certificates. The taxpayer shall attach the certificate to  
380 all Missouri income tax returns on which the credit is  
381 claimed.

382           [10.] **12.** Except as expressly provided in this  
383 subsection, tax credit certificates shall be issued in the  
384 final year that costs and expenses of rehabilitation of the  
385 project are incurred, or within the twelve-month period  
386 immediately following the conclusion of such  
387 rehabilitation. In the event the amount of eligible  
388 rehabilitation costs and expenses incurred by a taxpayer  
389 would result in the issuance of an amount of tax credits in  
390 excess of the amount provided under such taxpayer's approval  
391 granted under subsection [4] **6** of this section, such  
392 taxpayer may apply to the department for issuance of tax  
393 credits in an amount equal to such excess. Applications for  
394 issuance of tax credits in excess of the amount provided  
395 under a taxpayer's application shall be made on a form  
396 prescribed by the department. Such applications shall be  
397 subject to all provisions regarding priority provided under  
398 subsection 1 of this section.

399           [11.] **13.** The department [of economic development]  
400 shall determine, on an annual basis, the overall economic

401 impact to the state from the rehabilitation of eligible  
402 property.

403       14. (1) With regard to an application submitted under  
404 sections 253.544 to 253.559, an applicant or an applicant's  
405 duly authorized representative may appeal any official  
406 decision, including all preliminary or final approvals,  
407 denials of approvals, or dollar amounts of issued tax  
408 credits, made by the department of economic development or  
409 the state historic preservation office. Such an appeal  
410 shall constitute an administrative review of the decision  
411 and shall not be conducted as an adjudicative proceeding.

412       (2) The department shall establish an equitable  
413 appeals process.

414       (3) The appeals process shall incorporate an  
415 independent review panel consisting of members of the  
416 private sector and the department.

417       (4) The department shall name an independent appeals  
418 officer as chair.

419       (5) An appeal shall be submitted to the designated  
420 appeals officer or review panel in writing within thirty  
421 days of receipt by the applicant or the applicant's duly  
422 authorized representative of the decision that is the  
423 subject of the appeal and shall include all information the  
424 appellant wishes the appeals officer or review panel to  
425 consider in deciding the appeal.

426       (6) Within fourteen days of receipt of an appeal, the  
427 appeals officer or review panel shall notify the department  
428 of economic development or the state historic preservation  
429 office that an appeal is pending, identify the decision  
430 being appealed, and forward a copy of the information  
431 submitted by the appellant. The department of economic

432 development or the state historic preservation office may  
433 submit a written response to the appeal within thirty days.

434 (7) The appellant shall be entitled to one meeting  
435 with the appeals officer or review panel to discuss the  
436 appeal, and the appeals officer or review panel may schedule  
437 additional meetings at the officer's or panel's discretion.  
438 The department of economic development or the state historic  
439 preservation office may appear at any such meeting.

440 (8) The appeals officer or review panel shall consider  
441 the record of the decision in question; any further written  
442 submissions by the appellant, department of economic  
443 development, or state historic preservation office; and  
444 other available information and shall deliver a written  
445 decision to all parties as promptly as circumstances permit  
446 but no later than ninety days after the initial receipt of  
447 an appeal by the appeals officer or review panel.

448 (9) The appeals officer and the members of the review  
449 panel shall serve without compensation.

620.1900. 1. The department of economic development  
2 may charge a fee to the recipient of any tax credits issued  
3 by the department, in an amount up to two and one-half  
4 percent of the amount of tax credits issued, or for tax  
5 credits issued under sections [253.545] 253.544 to 253.559  
6 in an amount equal to four percent of the amount of tax  
7 credits issued. The fee shall be paid by the recipient upon  
8 the issuance of the tax credits. However, no fee shall be  
9 charged for the tax credits issued under section 135.460,  
10 [or] section 208.770, or [under] sections 32.100 to 32.125,  
11 if issued for community services, crime prevention,  
12 education, job training, or physical revitalization.

13 2. (1) All fees received by the department of  
14 economic development under this section shall be deposited



15 solely to the credit of the economic development advancement  
16 fund, created under subsection 3 of this section.

17 (2) Thirty-seven and one-half percent of the revenue  
18 derived from the four percent fee charged on tax credits  
19 issued under sections 253.545 to 253.559 shall be  
20 appropriated from the economic development advancement fund  
21 for business recruitment and marketing. **The provisions of**  
22 **subdivision (1) of this subsection notwithstanding, the fees**  
23 **received by the department of economic development from the**  
24 **four percent fee charged on tax credits issued under**  
25 **sections 253.544 to 253.559 shall be distributed as follows:**

26 (a) Thirty-seven and one-half percent of such revenue  
27 shall be deposited in the economic development advancement  
28 fund and shall be appropriated for business recruitment and  
29 marketing;

30 (b) Ten percent, or a different percentage as  
31 determined by the department, of such revenue shall be  
32 appropriated to the department of economic development for  
33 the administration of the provisions of sections 253.544 to  
34 253.559;

35 (c) Ten percent, or a different percentage as  
36 determined by the department, of such revenue shall be  
37 appropriated to the state historic preservation office for  
38 the administration of the provisions of sections 253.544 to  
39 253.559; and

40 (d) Forty-two and one-half percent of such revenue  
41 shall be deposited in the economic development advancement  
42 fund for the purposes described in subsection 5 of this  
43 section.

44 3. There is hereby created in the state treasury the  
45 "Economic Development Advancement Fund", which shall consist  
46 of money collected under this section. The state treasurer

47 shall be custodian of the fund and shall approve  
48 disbursements from the fund in accordance with sections  
49 30.170 and 30.180. Upon appropriation, money in the fund  
50 shall be used solely for the administration of this  
51 section. Notwithstanding the provisions of section 33.080  
52 to the contrary, any moneys remaining in the fund at the end  
53 of the biennium shall not revert to the credit of the  
54 general revenue fund. The state treasurer shall invest  
55 moneys in the fund in the same manner as other funds are  
56 invested. Any interest and moneys earned on such  
57 investments shall be credited to the fund.

58 4. Such fund shall consist of any fees charged under  
59 subsection 1 of this section, any gifts, contributions,  
60 grants, or bequests received from federal, private, or other  
61 sources, fees or administrative charges from private  
62 activity bond allocations, moneys transferred or paid to the  
63 department in return for goods or services provided by the  
64 department, and any appropriations to the fund.

65 5. At least fifty percent of the fees and other moneys  
66 deposited in the fund shall be appropriated for marketing,  
67 technical assistance, and training, contracts for  
68 specialized economic development services, and new  
69 initiatives and pilot programming to address economic  
70 trends. The remainder may be appropriated toward the costs  
71 of staffing and operating expenses for the program  
72 activities of the department of economic development, and  
73 for accountability functions.

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