

SECOND REGULAR SESSION

HOUSE BILL NO. 2359

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIGGS.

5023H.011

DANA RADEMAN MILLER, Chief Clerk

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Section A. Sections 253.545, 253.550, 253.557, 253.559, and 620.1900, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 253.544, 253.545, 253.550, 253.557, 253.559, and 620.1900, to read as follows: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

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

(1) "Applicable percentage":

(a) For the rehabilitation of an essential community or heritage facility that is a historic county courthouse, fifty percent or five hundred thousand dollars, whichever is less;

(b) For the rehabilitation of a residential property approved for a tax credit under subsection 3 of section 253.550, twenty-five percent or fifty thousand dollars, whichever is less;

(c) For the rehabilitation of a property located in a qualifying county that is not a residential property approved for a tax credit under subsection 3 of section 253.550, thirty-five percent; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

13 **(d) For the rehabilitation of a property not located in a qualifying county that is not**
14 **a residential property approved for a tax credit under subsection 3 of section 253.550,**
15 **twenty-five percent;**

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

18 ~~[(2)]~~ **(3) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from**
19 **a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;**

20 ~~[(3)]~~ **(4) "Department", the department of economic development;**

21 **(5) "Eligible property", property located in Missouri and offered or used for residential**
22 **or business purposes;**

23 ~~[(4)]~~ **(6) "Eligible recipient":**

24 **(a) For the rehabilitation of an essential community or heritage facility, any**
25 **taxpayer, including not-for-profit, governmental, or quasi-governmental entities, incurring**
26 **expenses in connection with an eligible property;**

27 **(b) For the rehabilitation of properties that are not an essential community or**
28 **heritage facility, any individual taxpayer or for-profit entity incurring expenses in**
29 **connection with an eligible property;**

30 **(7) "Essential community or heritage facility", any structure that:**

31 **(a) Is a historic county courthouse; or**

32 **(b) a. Is significant in the history, architecture, archeology, or culture of this state**
33 **or its communities, as designated by the governing body of a county;**

34 **b. Was originally constructed at least fifty years prior to the date of the eligible**
35 **recipient's application and remains, or will be, open for the benefit of the public at large**
36 **without discrimination as to race, color, religion, sex, national origin, disability, or marital**
37 **or familial status; and**

38 **c. Has an estimated rehabilitation cost of at least one hundred thousand dollars or,**
39 **if the structure is a leased property used to promote or educate patrons on the history,**
40 **architecture, archeology, or culture of this state or its communities, of at least fifty**
41 **thousand dollars;**

42 **(8) "Historic county courthouse", any historic county courthouse located in a**
43 **qualifying county;**

44 **(9) "Leasehold interest", a lease in an eligible property for a term of not less than thirty**
45 **years;**

46 ~~[(5)]~~ **(10) "Principal", a managing partner, general partner, or president of a taxpayer;**

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

50 ~~——(7)]~~ **(11) "Qualified census tract", a census tract with a poverty rate of twenty percent**
 51 **or higher as determined by a map and listing of census tracts which shall be published by the**
 52 **department [of economic development] and updated on a five-year cycle, and which map and**
 53 **listing shall depict census tracts with twenty percent poverty rate or higher, grouped by census**
 54 **tracts with twenty percent to forty-two percent poverty, and forty-two percent to eighty-one**
 55 **percent poverty as determined by the most current five-year figures published by the American**
 56 **Community Survey conducted by the United States Census Bureau;**

57 ~~[(8)]~~ **(12) "Qualified rehabilitation standards", the Secretary of the Interior's**
 58 **Standards for Rehabilitation, codified under 36 C.F.R. 67. The state historic preservation**
 59 **office of the department of natural resources shall determine whether a rehabilitation**
 60 **satisfies the standards within thirty days of a taxpayer filing an initial application for tax**
 61 **credits. The department of economic development shall promptly notify the state historic**
 62 **preservation office of each initial application for tax credits. If a property is an essential**
 63 **community facility or heritage facility that is a historic county courthouse, "qualified**
 64 **rehabilitation standards" shall only apply to the structure's exterior, including windows,**
 65 **and the structure's site;**

66 **(13) "Qualifying county", any county of this state that does not have a charter form**
 67 **of government;**

68 **(14) "Structure in a certified historic district", a structure located in Missouri which is**
 69 **certified by the department of natural resources as contributing to the historic significance of a**
 70 **certified historic district listed on the National Register of Historic Places, or a local district that**
 71 **has been certified by the United States Department of the Interior;**

72 ~~[(9)]~~ **(15) "Taxpayer", any person, firm, partnership, trust, estate, limited liability**
 73 **company, or corporation.**

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible
 2 property, which is **[a] an essential community or heritage facility**, certified historic structure,
 3 or structure in a certified historic district, ~~may~~ **shall**, subject to the provisions of this section
 4 and section 253.559, receive a credit against the taxes imposed pursuant to chapters 143 and 148,
 5 except for sections 143.191 to 143.265, on such taxpayer in an amount equal to ~~[twenty-five~~
 6 ~~percent]~~ **the applicable percentage** of the total costs and expenses of rehabilitation incurred
 7 after January 1, 1998, which shall include, but not be limited to, qualified rehabilitation
 8 expenditures as defined under **26 U.S.C. Section 47(c)(2)(A)** ~~[of the Internal Revenue Code of~~
 9 ~~1986]~~, as amended, and the related regulations thereunder, provided the rehabilitation costs

10 associated with rehabilitation and the expenses exceed fifty percent of the total basis in the
11 property and the rehabilitation meets ~~[standards consistent with]~~ the **qualified rehabilitation**
12 standards ~~[of the Secretary of the United States Department of the Interior for rehabilitation as~~
13 ~~determined by the state historic preservation officer of the Missouri department of natural~~
14 ~~resources]~~.

15 2. (1) During the period beginning on January 1, 2010, but ending on or after June 30,
16 2010, the department ~~[of economic development]~~ shall not approve applications for tax credits
17 under the provisions of subsections 4 and 10 of section 253.559 which, in the aggregate, exceed
18 seventy million dollars, increased by any amount of tax credits for which approval shall be
19 rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July
20 1, 2010, but ending before June 30, 2018, the department ~~[of economic development]~~ shall not
21 approve applications for tax credits under the provisions of subsections 4 and 10 of section
22 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any
23 amount of tax credits for which approval shall be rescinded under the provisions of section
24 253.559. For each fiscal year beginning on or after July 1, 2018, the department ~~[of economic~~
25 ~~development]~~ shall not approve applications for tax credits **for properties not located in a**
26 **qualified census tract** under the provisions of subsections 4 and 10 of section 253.559 which,
27 in the aggregate, exceed ninety million dollars, increased by any amount of tax credits for which
28 approval shall be rescinded under the provisions of section 253.559. The limitations provided
29 under this subsection shall not apply to applications approved under the provisions of subsection
30 4 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars
31 in tax credits.

32 (2) For each fiscal year beginning on or after July 1, 2018, the department shall authorize
33 an amount up to, but not to exceed, an additional thirty million dollars in tax credits issued under
34 subsections 4 and 10 of section 253.559, provided that such tax credits are authorized solely for
35 projects located in a qualified census tract. **If the maximum amount of tax credits allowed in**
36 **any fiscal year under this subdivision is authorized for properties located in a qualified**
37 **census tract, such properties may receive authorization for additional tax credits if the**
38 **aggregate of all tax credit authorizations is under the limitation of subdivision (1) of this**
39 **subsection, provided that the maximum amount of the tax credits for properties not located**
40 **in a qualified census tract has not been authorized for the fiscal year.**

41 (3) For each fiscal year beginning on or after July 1, 2018, if the maximum amount of
42 tax credits allowed in any fiscal year as provided under subdivisions (1) and (2) of this
43 subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of
44 this subsection shall be adjusted by the percentage increase in the Consumer Price Index for All
45 Urban Consumers, or its successor index, as such index is defined and officially reported by the

46 United States Department of Labor, or its successor agency. Only one such adjustment shall be
47 made for each instance in which the provisions of this subdivision apply. The director of the
48 department [~~of economic development~~] shall publish such adjusted amount.

49 **(4) Of the total amount of tax credits that may be authorized under subdivision (1)**
50 **of this subsection, an amount shall be reserved to use only for restoration of an essential**
51 **community or heritage facility that is a historic county courthouse, provided that no**
52 **qualifying county shall receive tax credits for more than two historic county courthouses**
53 **in a single fiscal year and further provided that no rehabilitation of a historic county**
54 **courthouse shall receive an authorization for tax credits other than from the amount**
55 **reserved under this subdivision. The amount reserved shall be:**

56 **(a) For the fiscal year beginning on July 1, 2020, and ending on June 30, 2021, five**
57 **million dollars; and**

58 **(b) If the maximum amount reserved is authorized in any fiscal year, the maximum**
59 **amount reserved in subsequent fiscal years shall be permanently increased by one million**
60 **dollars, not to exceed a total amount reserved of ten million dollars.**

61

62 **If any amount of tax credits reserved is not authorized by March thirty-first, the amount**
63 **shall no longer be reserved for the restoration of historic county courthouses and may be**
64 **authorized for the rehabilitation of any property under sections 253.544 to 253.559. If the**
65 **department authorizes an amount of tax credits for the restoration of historical county**
66 **courthouses in excess of the amount reserved, any historical courthouse project receiving**
67 **tax credits from the unreserved amount shall be subject to the procedures set forth in**
68 **subsection 5 of section 253.559.**

69 **3. (1) For all applications for tax credits approved on or after January 1, 2010, and**
70 **before July 1, 2020, no more than two hundred fifty thousand dollars in tax credits may be**
71 **issued for eligible costs and expenses incurred in the rehabilitation of an eligible property**
72 **[which] that is a nonincome producing single-family, [~~owner-occupied~~] residential property**
73 **occupied by the taxpayer applicant or any relative within the third degree of consanguinity**
74 **or affinity of such applicant and that is either a certified historic structure or a structure in a**
75 **certified historic district.**

76 **(2) For all applications for tax credits approved on or after July 1, 2020, tax credits**
77 **in an amount equal to the applicable percentage may be issued for eligible costs and**
78 **expenses incurred in the rehabilitation of an eligible property that is a nonincome**
79 **producing single-family, residential property occupied by the taxpayer applicant or any**
80 **relative within the third degree of consanguinity or affinity of such applicant and that is**
81 **either a certified historic structure or a structure in a certified historic district. For**

82 **properties not located in a qualifying county, tax credits shall not be issued under this**
 83 **subdivision unless the property is located in a distressed community, as defined under**
 84 **section 135.530.**

85 4. The limitations on tax credit authorization provided under the provisions of subsection
 86 2 of this section shall not apply to:

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

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

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

95 (b) Has received certification, by the state historic preservation officer, that the
 96 rehabilitation plan meets the **qualified rehabilitation** standards [~~consistent with the standards~~
 97 ~~of the Secretary of the United States Department of the Interior~~], and the rehabilitation costs and
 98 expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the
 99 property.

253.557. 1. **(1) For all applications for tax credits approved on or after January**
 2 **1, 2010, and before July 1, 2020,** if the amount of such credit exceeds the total tax liability for
 3 the year in which the rehabilitated property is placed in service, the amount that exceeds the state
 4 tax liability may be carried back to any of the three preceding years and carried forward for credit
 5 against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191
 6 to 143.265 for the succeeding ten years, or until the full credit is used, whichever occurs first.

7 **(2) For all applications for tax credits approved on or after July 1, 2020, if the**
 8 **amount of such credit exceeds the total tax liability for the year in which the rehabilitated**
 9 **property is placed in service, the amount that exceeds the state tax liability may be carried**
 10 **back to the immediately preceding tax year and carried forward for credit against the taxes**
 11 **imposed under chapters 143 and 148, except for sections 143.191 to 143.265, for the**
 12 **succeeding five years or until the full credit is used, whichever occurs first.**

13

14 Not-for-profit entities[,] including, but not limited to, corporations organized as not-for-profit
 15 corporations pursuant to chapter 355 shall be [~~ineligible~~] **eligible** for the tax credits authorized
 16 under sections 253.545 [~~through 253.561~~] **to 253.559.** Taxpayers eligible for [~~such~~] tax credits
 17 may transfer, sell, or assign the credits. Credits granted to a partnership, a limited liability
 18 company taxed as a partnership, or multiple owners of property shall be passed through to the

19 partners, members, or owners respectively pro rata or pursuant to an executed agreement among
20 the partners, members, or owners documenting an alternate distribution method.

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

253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to
2 253.559, a taxpayer shall submit an application for tax credits to the department [~~of economic~~
3 ~~development~~]. Each application for approval, including any applications received for
4 supplemental allocations of tax credits as provided under subsection 10 of this section, shall be
5 prioritized for review and approval, in the order of the date on which the application was
6 postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the
7 same day shall go through a lottery process to determine the order in which such applications
8 shall be reviewed.

9 2. Each application shall be reviewed by the department [~~of economic development~~] for
10 approval. In order to receive approval, an application, other than applications submitted under
11 the provisions of subsection 10 of this section, shall include:

12 (1) Proof of ownership or site control. Proof of ownership shall include evidence that
13 the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing
14 statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire
15 such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site
16 control shall include an executed sales contract or an executed option to purchase the eligible
17 property;

18 (2) Floor plans of the existing structure, architectural plans, and, where applicable, plans
19 of the proposed alterations to the structure, as well as proposed additions;

20 (3) The estimated cost of rehabilitation, the anticipated total costs of the project, the
21 actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total
22 labor costs, the estimated project start date, and the estimated project completion date;

23 (4) Proof that the property is an eligible property and **a designated essential community**
24 **or heritage facility**, a certified historic structure, or a structure in a certified historic district; **and**

25 (5) A copy of all land use and building approvals reasonably necessary for the
26 commencement of the project[~~; and~~

27 ~~—— (6) Any other information which the department of economic development may~~
28 ~~reasonably require to review the project for approval].~~

29

30 Only the property for which a property address is provided in the application shall be reviewed
31 for approval. Once selected for review, a taxpayer shall not be permitted to request the review
32 of another property for approval in the place of the property contained in such application. Any
33 disapproved application shall be removed from the review process. If an application is removed
34 from the review process, the department [~~of economic development~~] shall notify the taxpayer in
35 writing of the decision to remove such application. Disapproved applications shall lose priority
36 in the review process. A disapproved application, which is removed from the review process,
37 may be resubmitted, but shall be deemed to be a new submission for purposes of the priority
38 procedures described in this section.

39 3. (1) In evaluating an application for tax credits submitted under this section, the
40 department [~~of economic development~~] shall also consider:

41 ~~(a) [The amount of projected net fiscal benefit of the project to the state and local~~
42 ~~municipality, and the period in which the state and municipality would realize such net fiscal~~
43 ~~benefit;~~

44 ~~—— (b)]~~ The overall size and quality of the proposed project, including the estimated number
45 of new jobs to be created by the project, the potential multiplier effect of the project, and similar
46 factors;

47 ~~[(e)]~~ (b) The level of economic distress in the area; and

48 ~~[(d)]~~ (c) Input from the local elected officials in the local municipality in which the
49 proposed project is located as to the importance of the proposed project to the municipality. For
50 any proposed project in any city not within a county, input from the local elected officials shall
51 include, but shall not be limited to, the president of the board of aldermen.

52 (2) The provisions of this subsection shall not apply to applications for projects to
53 receive less than two hundred seventy-five thousand dollars in tax credits.

54 4. If the department [~~of economic development~~] deems the application sufficient, the
55 taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the
56 amount provided under section 253.550 less any amount of tax credits previously approved.
57 Such approvals shall be granted to applications in the order of priority established under this
58 section and shall require full compliance thereafter with all other requirements of law as a
59 condition to any claim for such credits. If the department [~~of economic development~~]
60 disapproves an application, the taxpayer shall be notified in writing of the reasons for such
61 disapproval. A disapproved application may be resubmitted. **If the scope of a project for**
62 **which an application has been approved under this section materially changes, the**

63 taxpayer shall be eligible to receive additional tax credits in the year in which the
64 department is notified of and approves of such change in scope, subject to the provisions
65 of subsection 2 of section 253.550 and subsection 5 of this section, if applicable; however,
66 if such project was originally approved prior to August 28, 2018, the department shall
67 evaluate the change in scope of the project under the criteria in effect prior to such date.
68 A change in project scope shall be considered material under this subsection if:

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

71 (2) The requested amount of tax credits for the project after the change in scope
72 are higher than the originally approved amount of tax credits for such project by at least
73 five hundred thousand dollars.

74 5. Following approval of an application, the identity of the taxpayer contained in such
75 application shall not be modified except:

76 (1) The taxpayer may add partners, members, or shareholders as part of the ownership
77 structure, so long as the principal remains ~~[the same]~~ a **principal of the taxpayer**, provided
78 however, that subsequent to the commencement of renovation and the expenditure of at least ten
79 percent of the proposed rehabilitation budget, removal of the principal for failure to perform
80 duties and the appointment of a new principal thereafter shall not constitute a change of the
81 principal; or

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

84 6. In the event that the department ~~[of economic development]~~ grants approval for tax
85 credits equal to the total amount available **or reserved, as applicable**, under subsection 2 of
86 section 253.550, or sufficient that when totaled with all other approvals, the amount available
87 **or reserved, as applicable**, under subsection 2 of section 253.550 is exhausted, all taxpayers
88 with applications then awaiting approval or thereafter submitted for approval shall be notified
89 by the department ~~[of economic development]~~ that no additional approvals shall be granted
90 during the fiscal year and shall be notified of the priority given to such taxpayer's application
91 then awaiting approval. Such applications shall be kept on file by the department ~~[of economic~~
92 ~~development]~~ and shall be considered for approval for tax credits in the order established in this
93 section in the event that additional credits become available due to the rescission of approvals
94 or when a new fiscal year's allocation of credits becomes available for approval **or reservation,**
95 **as applicable.**

96 7. All taxpayers with applications receiving approval on or after July 1, 2019, shall
97 submit within sixty days following the award of credits evidence of the capacity of the applicant
98 to finance the costs and expenses for the rehabilitation of the eligible property in the form of a

99 line of credit or letter of commitment subject to the lender's termination for a material adverse
100 change impacting the extension of credit. If the department [~~of economic development~~]
101 determines that a taxpayer has failed to comply with the requirements under this subsection, then
102 the department shall notify the applicant of such failure and the applicant shall have a thirty-day
103 period from the date of such notice to submit additional evidence to remedy the failure.

104 8. All taxpayers with applications receiving approval on or after the effective date of this
105 act shall commence rehabilitation within [~~nine~~] **eighteen** months of the date of issuance of the
106 letter from the department [~~of economic development~~] granting the approval for tax credits.
107 "Commencement of rehabilitation" shall mean that as of the date in which actual physical work,
108 contemplated by the architectural plans submitted with the application, has begun, the taxpayer
109 has incurred no less than [~~ten~~] **twenty** percent of the estimated costs of rehabilitation provided
110 in the application. Taxpayers with approval of a project shall submit evidence of compliance
111 with the provisions of this subsection. **Taxpayers shall notify the department of any loss of**
112 **site control or of any failure to exercise any option to obtain site control within the**
113 **prescribed time period within ten days of such loss or failure.** If the department [~~of~~
114 ~~economic development~~] determines that a taxpayer has **lost or failed to obtain site control of**
115 **the eligible property or otherwise** failed to comply with the requirements provided under this
116 section, the approval for the amount of tax credits for such taxpayer shall be rescinded [~~and such~~
117 ~~amount of tax credits~~]. **A taxpayer may voluntarily forfeit such approval at any time by**
118 **written notice to the department. Any approval rescinded or forfeited under this**
119 **subsection** shall then be included in the total amount of tax credits **available in the year of such**
120 **rescission or forfeiture**, provided under subsection 2 of section 253.550, from which approvals
121 may be granted. Any taxpayer whose approval [~~shall be subject to rescission~~] **is rescinded or**
122 **forfeited under this section** shall be notified of such from the department [~~of economic~~
123 ~~development~~] and, upon receipt of such notice, may submit a new application for the project.
124 **If a taxpayer's approval is rescinded or forfeited under this subsection and such taxpayer**
125 **later submits a new application for the same project, any expenditures eligible for tax**
126 **credits under section 253.550 that are incurred by such taxpayer from and after the date**
127 **of the rescinded or forfeited approval shall remain eligible expenditures for the purposes**
128 **of determining the amount of tax credits that may be approved under section 253.550.**

129 9. (1) To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with
130 approval shall apply for final approval and issuance of tax credits from the department [~~of~~
131 ~~economic development~~] which, in consultation with the department of natural resources, shall
132 determine the final amount of eligible rehabilitation costs and expenses and whether the
133 completed rehabilitation meets the **qualified rehabilitation** standards [~~of the Secretary of the~~
134 ~~United States Department of the Interior for rehabilitation~~] as determined by the state historic

135 preservation officer of the Missouri department of natural resources. **The department of**
136 **natural resources shall allow for a third-party audit as evidence that the completed**
137 **rehabilitation satisfies the qualified rehabilitation standards.**

138 **(2) Within sixty days of the department's receipt of all materials required by the**
139 **department for an application for final approval and issuance of tax credits, the**
140 **department shall issue to the taxpayer tax credit certificates in the amount of seventy-five**
141 **percent of the lesser of:**

142 **(a) The total amount of the tax credits for which the taxpayer is eligible as provided**
143 **in the taxpayer's certification of qualified expenses submitted with an application for final**
144 **approval; or**

145 **(b) The total amount of tax credits approved for such project under subsection 3**
146 **of this section, including any amounts approved in connection with a material change in**
147 **scope of the project.**

148 **(3) Within one hundred twenty days of the department's receipt of all materials**
149 **required by the department for an application of final approval and issuance of tax credits**
150 **for a project, the department shall, unless such project is under appeal under subsection**
151 **13 of this section:**

152 **(a) Make a final determination of the total costs and expenses of rehabilitation and**
153 **the amount of tax credits to be issued for such costs and expenses;**

154 **(b) Notify the taxpayer in writing of its final determination; and**

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

158 **(4) If the department determines that the amount of tax credits issued to a taxpayer**
159 **in the initial tax credit issuance under subdivision (2) of this subsection is in excess of the**
160 **total amount of tax credits such taxpayer is eligible to receive, the department shall notify**
161 **such taxpayer, and such taxpayer shall repay the department an amount equal to such**
162 **excess.**

163 **(5) For financial institutions credits authorized pursuant to sections 253.550 to [253.561]**
164 **253.559 shall be deemed to be economic development credits for purposes of section 148.064.**
165 **The approval of all applications and the issuing of certificates of eligible credits to taxpayers**
166 **shall be performed by the department [of economic development]. The department [of economic**
167 **development] shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer,**
168 **tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns**
169 **on which the credit is claimed.**

170 10. Except as expressly provided in this subsection, tax credit certificates shall be issued
171 in the final year that costs and expenses of rehabilitation of the project are incurred, or within the
172 twelve-month period immediately following the conclusion of such rehabilitation. In the event
173 the amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in
174 the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's
175 approval granted under subsection 4 of this section, such taxpayer may apply to the department
176 for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax
177 credits in excess of the amount provided under a taxpayer's application shall be made on a form
178 prescribed by the department. Such applications shall be subject to all provisions regarding
179 priority provided under subsection 1 of this section.

180 11. The department [~~of economic development~~] shall determine, on an annual basis, the
181 overall economic impact to the state from the rehabilitation of eligible property.

182 **12. (1) With regard to an application submitted under sections 253.544 to 253.559,**
183 **an applicant or an applicant's duly authorized representative may appeal any official**
184 **decision, including all preliminary or final approvals and denials of approvals, made by**
185 **the department of economic development or the department of natural resources to an**
186 **independent third-party appeals officer designated by the department of economic**
187 **development. Such an appeal shall constitute an administrative review of the decision and**
188 **shall not be conducted as an adjudicative proceeding.**

189 **(2) An appeal shall be submitted to the designated appeals officer in writing within**
190 **thirty days of receipt by the applicant or the applicant's duly authorized representative of**
191 **the decision that is the subject of the appeal and shall include all information the appellant**
192 **wishes the appeals officer to consider in deciding the appeal.**

193 **(3) Within fourteen days of receipt of an appeal, the appeals officer shall notify the**
194 **department of economic development or the department of natural resources that an**
195 **appeal is pending, identify the decision being appealed, and forward a copy of the**
196 **information submitted by the appellant. The department of economic development or the**
197 **department of natural resources may submit a written response to the appeal within thirty**
198 **days.**

199 **(4) The appellant shall be entitled to one meeting with the appeals officer to discuss**
200 **the appeal, and the appeals officer may schedule additional meetings at the officer's**
201 **discretion. The department of economic development or the department of natural**
202 **resources may appear at all meetings.**

203 **(5) The appeals officer shall consider the record of the decision in question; any**
204 **further written submissions by the appellant, department of economic development, or**
205 **department of natural resources; and other available information and shall deliver a**

206 **written decision to all parties as promptly as circumstances permit but no later than ninety**
207 **days after the initial receipt of an appeal by the appeals officer.**

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

9 2. (1) All fees received by the department of economic development under this section
10 shall be deposited solely to the credit of the economic development advancement fund, created
11 under subsection 3 of this section.

12 ~~(2) [Thirty-seven and one-half percent of the revenue derived from the four percent fee~~
13 ~~charged on tax credits issued under sections 253.545 to 253.559 shall be appropriated from the~~
14 ~~economic development advancement fund for business recruitment and marketing] The~~
15 **provisions of subdivision (1) of this subsection notwithstanding, the fees received by the**
16 **department of economic development from the four-percent fee charged on tax credits**
17 **issued under sections 253.544 to 253.559 shall be distributed as follows:**

18 (a) **Thirty-seven and one-half percent of such revenue shall be deposited in the**
19 **economic development advancement fund and shall be appropriated for business**
20 **recruitment and marketing;**

21 (b) **Twenty-five percent of such revenue shall be appropriated to the department**
22 **of economic development for the administration of the provisions of sections 253.544 to**
23 **253.559;**

24 (c) **Twenty-five percent of such revenue shall be appropriated to the department**
25 **of natural resources for the administration of the provisions of sections 253.544 to 253.559;**
26 **and**

27 (d) **Twelve and one-half percent of such revenue shall be deposited in the economic**
28 **development advancement fund for the purposes described in subsection 5 of this section.**

29 3. There is hereby created in the state treasury the "Economic Development
30 Advancement Fund", which shall consist of money collected under this section. The state
31 treasurer shall be custodian of the fund and shall approve disbursements from the fund in
32 accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be
33 used solely for the administration of this section. Notwithstanding the provisions of section
34 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not

35 revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the
36 fund in the same manner as other funds are invested. Any interest and moneys earned on such
37 investments shall be credited to the fund.

38 4. Such fund shall consist of any fees charged under subsection 1 of this section, any
39 gifts, contributions, grants, or bequests received from federal, private, or other sources, fees or
40 administrative charges from private activity bond allocations, moneys transferred or paid to the
41 department in return for goods or services provided by the department, and any appropriations
42 to the fund.

43 5. At least fifty percent of the fees and other moneys deposited in the fund shall be
44 appropriated for marketing, technical assistance, and training, contracts for specialized economic
45 development services, and new initiatives and pilot programming to address economic trends.
46 The remainder may be appropriated toward the costs of staffing and operating expenses for the
47 program activities of the department of economic development, and for accountability functions.

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