

SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 884

102ND GENERAL ASSEMBLY

3051S.02C

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Section A. Sections 253.545, 253.550, 253.557, 253.559, and 620.1900, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 253.544, 253.545, 253.550, 253.557, 253.559, and 620.1900, to read as follows: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

18           (a) Listed individually on the National Register of  
19 Historic Places; or

20           (b) Located in a National Register-listed historic  
21 district or a local district that has been certified by the  
22 United States Department of the Interior and certified by  
23 the Secretary of the Interior or the state historic  
24 preservation office as a contributing resource in the  
25 district;

26           [(2)] (3) "Deed in lieu of foreclosure or voluntary  
27 conveyance", a transfer of title from a borrower to the  
28 lender to satisfy the mortgage debt and avoid foreclosure;

29           (4) "Department", the department of economic  
30 development;

31           [(3)] (5) "Eligible property", property located in  
32 Missouri and offered or used for residential or business  
33 purposes;

34           (6) "Eligible recipient", an individual taxpayer or  
35 nonprofit entity incurring expenses in connection with an  
36 eligible property;

37           (7) "Historic theater", any historic theater that is a  
38 certified historic structure or is located in a historic  
39 district;

40           (8) "Historic school", any historic school that is a  
41 certified historic structure or that is located in a  
42 historic district;

43           [(4)] (9) "Leasehold interest", a lease in an eligible  
44 property for a term of not less than thirty years;

45            [(5)] (10) "Principal", a managing partner, general  
46 partner, or president of a taxpayer;

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

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

63            (12) "Qualified rehabilitation standards", the  
64 **Secretary of the Interior's Standards for Rehabilitation,**  
65 **codified under 36 CFR 67;**

66            (13) "Qualifying county", any county or portion  
67 thereof in this state that is not:

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

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

71            [(8) "Structure in a certified historic district", a  
72 structure located in Missouri which is certified by the  
73 department of natural resources as contributing to the  
74 historic significance of a certified historic district  
75 listed on the National Register of Historic Places, or a

76 local district that has been certified by the United States  
77 Department of the Interior;

78 (9)] (14) "Taxpayer", any person, firm, partnership,  
79 trust, estate, limited liability company, or corporation.

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.

21 (2) Any taxpayer incurring costs and expenses for the  
22 rehabilitation of eligible property that is in a qualifying  
23 county and is a certified historic structure shall, subject  
24 to the provisions of this section and section 253.559,  
25 receive a credit against the taxes imposed under chapters  
26 143 and 148, excluding withholding tax imposed under  
27 sections 143.191 to 143.265, on such taxpayer in an amount  
28 equal to thirty-five percent of the total costs and expenses

29 of rehabilitation incurred on or after July 1, 2024. Ten  
30 percent of the total costs and expenses of rehabilitation  
31 upon which the tax credit is based may be incurred for  
32 investigation assessments and building stabilization before  
33 the taxpayer submits the application for tax credits under  
34 sections 253.544 to 253.559. Such total costs and expenses  
35 of rehabilitation shall include, but not be limited to,  
36 qualified rehabilitation expenditures as defined under 26  
37 U.S.C. Section 47(c)(2)(A), as amended, and related  
38 regulations, if:

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

41 (b) The rehabilitation meets the qualified  
42 rehabilitation standards of the Secretary of the United  
43 States Department of the Interior for rehabilitation of  
44 historic structures.

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

48 2. (1) [During the period beginning on January 1,  
49 2010, but ending on or after June 30, 2010, the department  
50 of economic development shall not approve applications for  
51 tax credits under the provisions of subsections 4 and 10 of  
52 section 253.559 which, in the aggregate, exceed seventy  
53 million dollars, increased by any amount of tax credits for  
54 which approval shall be rescinded under the provisions of  
55 section 253.559. For each fiscal year beginning on or after  
56 July 1, 2010, but ending before June 30, 2018, the  
57 department of economic development shall not approve  
58 applications for tax credits under the provisions of  
59 subsections 4 and 10 of section 253.559 which, in the  
60 aggregate, exceed one hundred forty million dollars,

61 increased by any amount of tax credits for which approval  
62 shall be rescinded under the provisions of section 253.559.  
63 For each fiscal year beginning on or after July 1, 2018,]  
64 The department [of economic development] shall not approve  
65 applications for tax credits **for properties not located in a**  
66 **qualified census tract** under the provisions of subsections  
67 [4] 6 and [10] 12 of section 253.559 which, in the  
68 aggregate, exceed ninety million dollars, increased by any  
69 amount of tax credits for which approval shall be rescinded  
70 under the provisions of section 253.559. The limitations  
71 provided under this subsection shall not apply to  
72 applications approved under the provisions of subsection [4]  
73 6 of section 253.559 for projects to receive less than [two]  
74 **four** hundred seventy-five thousand dollars in tax credits,  
75 **which number shall be annually adjusted by the percentage**  
76 **increase in the Consumer Price Index for All Urban**  
77 **Consumers, or its successor index, as such index is defined**  
78 **and officially reported by the United States Department of**  
79 **Labor, or its successor agency.**

80 (2) For each fiscal year beginning on or after July 1,  
81 2018, the department shall authorize an amount up to, but  
82 not to exceed, an additional thirty million dollars in tax  
83 credits issued under subsections [4] 6 and [10] 12 of  
84 section 253.559, provided that such tax credits are  
85 authorized solely for projects located in a qualified census  
86 tract. **Projects that receive preliminary approval that are**  
87 **located within a qualified census tract may receive an**  
88 **authorization of tax credit under either subdivision (1) of**  
89 **this subsection or this subdivision, but such projects shall**  
90 **first be authorized from the tax credit amount in this**  
91 **subdivision before being authorized from the tax credit**  
92 **amount in subdivision (1) of this subsection. The thirty**

93 million dollars in tax credits provided in this subdivision  
94 shall be annually adjusted by the percentage increase in the  
95 Consumer Price Index for All Urban Consumers, or its  
96 successor index, as such index is defined and officially  
97 reported by the United States Department of Labor, or its  
98 successor agency.

99 (3) For each fiscal year beginning on or after July 1,  
100 2018, if the maximum amount of tax credits allowed in any  
101 fiscal year as provided under subdivisions (1) and (2) of  
102 this subsection is authorized, the maximum amount of tax  
103 credits allowed under [subdivision (1)] **subdivisions (1) and**  
104 **(2)** of this subsection shall be adjusted by the percentage  
105 increase in the Consumer Price Index for All Urban  
106 Consumers, or its successor index, as such index is defined  
107 and officially reported by the United States Department of  
108 Labor, or its successor agency. Only one such adjustment  
109 shall be made for each instance in which the provisions of  
110 this subdivision apply. The director of the department [of  
111 economic development] shall publish such adjusted amount.

112 3. (1) For all applications for tax credits approved  
113 on or after January 1, 2010, no more than two hundred fifty  
114 thousand dollars in tax credits may be issued for eligible  
115 costs and expenses incurred in the rehabilitation of an  
116 eligible property [which] **that** is a [nonincome] **non-income-**  
117 **producing single-family[, owner-occupied]** residential  
118 **property occupied by the taxpayer applicant or any relative**  
119 **within the third degree of consanguinity or affinity of such**  
120 **applicant** and **that** is either a certified historic structure  
121 or a structure in a certified historic district.

122 (2) For all applications for tax credits, an amount  
123 equal to the applicable percentage may be issued for  
124 eligible costs and expenses incurred in the rehabilitation

125 of an eligible property that is a non-income-producing  
126 single-family residential property occupied by the taxpayer  
127 applicant or any relative within the third degree of  
128 consanguinity or affinity of such applicant and that is  
129 either a certified historic structure or a structure in a  
130 certified historic district. For properties not located in  
131 a qualifying county, tax credits shall not be issued under  
132 this subdivision unless the property is located in a  
133 distressed community, as defined under section 135.530.

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

137 (1) Any application submitted by a taxpayer, which has  
138 received approval from the department prior to October 1,  
139 2018; or

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

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

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



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

160           (1) The project otherwise meets all the requirements  
161 of this section;

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

165           (3) The taxpayer agrees with the department of  
166 economic development, on a form prescribed by the  
167 department, to claim the original "state historical tax  
168 credits" over three state fiscal years with the initial year  
169 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] **county assessor**  
25 **record as proof of ownership.** Proof of site control may be  
26 evidenced by a leasehold interest or an option to acquire  
27 such an interest. If the taxpayer is in the process of  
28 acquiring fee simple ownership, proof of site control shall  
29 include an executed sales contract or an executed option to  
30 purchase the eligible property;

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

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

40 (4) Proof that the property is an eligible property  
41 and a certified historic structure or a structure in a  
42 certified historic district **or part 1 of a federal**  
43 **application or a draft national register of historic places**  
44 **nomination has been submitted to the state historic**  
45 **preservation office. In such instances, the application may**  
46 **proceed as a preliminary application concurrent with the**  
47 **associated federal process for nomination to the National**  
48 **Register of Historic Places;**

49 (5) A copy of [all] land use [and building approvals  
50 reasonably necessary for the commencement of the project]  
51 **plans**; and

52 (6) Any other information [which] the department [of  
53 economic development] may reasonably require to review the  
54 project for approval.

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

70 3. (1) In evaluating an application for tax credits  
71 submitted under this section, the department [of economic  
72 development] shall also consider:

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

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

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

82           b. **The estimated number of construction jobs and**  
83 **professional jobs associated with the project that are**  
84 **included in total project costs;**

85           c. **Capital improvements created by a project and the**  
86 **potential of future community investments and improvements;**

87           d. **Increased revenues from sales or property taxes;**

88           e. The potential multiplier effect of the project[,];  
89 and

90           f. **Other** similar factors; **and**

91           (c) [The level of economic distress in the area; and

92 (d)] Input from the local elected officials in the  
93 local municipality in which the proposed project is located  
94 as to the importance of the proposed project to the  
95 municipality. [For any proposed project in any city not  
96 within a county, input from the local elected officials  
97 shall include, but shall not be limited to, the president of  
98 the board of aldermen.]

99           (2) The provisions of this subsection shall not apply  
100 to **historic schools or theaters or** applications for projects  
101 to receive less than [two] **four** hundred seventy-five  
102 thousand dollars in tax credits, **which number shall be**  
103 **annually adjusted by the percentage increase in the Consumer**  
104 **Price Index for All Urban Consumers, or its successor index,**  
105 **as such index is defined and officially reported by the**  
106 **United States Department of Labor, or its successor agency.**

107           4. (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 sixty 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 sixty-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 sixty-day  
130 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 sixty 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 and end date for each phase and the expected costs  
151 for the whole project. The applicant may submit detailed  
152 plans for the project at a later time within the application  
153 process;

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

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

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

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

171           (6) If the department determines that the amount of  
172 tax credits issued to a taxpayer under subdivision (5) of  
173 this subsection is in excess of the total amount of tax  
174 credits such taxpayer is eligible to receive, the department

175 **shall notify such taxpayer, and such taxpayer shall repay**  
176 **the department an amount equal to such excess.**

177 **[4.] 5.** If the department **[of economic development]**  
178 deems the application sufficient, the taxpayer shall be  
179 notified in writing of the approval for an amount of tax  
180 credits equal to the amount provided under section 253.550  
181 less any amount of tax credits previously approved. Such  
182 approvals shall be granted to applications in the order of  
183 priority established under this section and shall require  
184 full compliance thereafter with all other requirements of  
185 law as a condition to any claim for such credits. If the  
186 department **[of economic development]** disapproves an  
187 application, the taxpayer shall be notified in writing of  
188 the reasons for such disapproval. A disapproved application  
189 may be resubmitted. **If the scope of a project for which an**  
190 **application has been approved under this section materially**  
191 **changes, the taxpayer shall be eligible to receive**  
192 **additional tax credits in the year in which the department**  
193 **is notified of and approves of such change in scope, subject**  
194 **to the provisions of subsection 2 of section 253.550 and**  
195 **subsection 7 of this section, if applicable; however, if**  
196 **such project was originally approved prior to August 28,**  
197 **2018, the department shall evaluate the change in scope of**  
198 **the project under the criteria in effect prior to such**  
199 **date. A change in project scope shall be considered**  
200 **material under this subsection if:**

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

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



207 [5.] 6. Following approval of an application, the  
208 identity of the taxpayer contained in such application shall  
209 not be modified except:

210 (1) The taxpayer may add partners, members, or  
211 shareholders as part of the ownership structure, so long as  
212 the principal remains [the same] **a principal of the**  
213 **taxpayer**, provided however, that subsequent to the  
214 commencement of renovation and the expenditure of at least  
215 ten percent of the proposed rehabilitation budget, removal  
216 of the principal for failure to perform duties and the  
217 appointment of a new principal thereafter shall not  
218 constitute a change of the principal; or

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

222 [6.] 7. In the event that the department [of economic  
223 development] grants approval for tax credits equal to the  
224 total amount available **or authorized, as applicable**, under  
225 subsection 2 of section 253.550, or sufficient that when  
226 totaled with all other approvals, the amount available **or**  
227 **authorized, as applicable**, under subsection 2 of section  
228 253.550 is exhausted, all taxpayers with applications then  
229 awaiting approval or thereafter submitted for approval shall  
230 be notified by the department [of economic development] that  
231 no additional approvals shall be granted during the fiscal  
232 year and shall be notified of the priority given to such  
233 taxpayer's application then awaiting approval. Such  
234 applications shall be kept on file by the department [of  
235 economic development] and shall be considered for approval  
236 for tax credits in the order established in this section in  
237 the event that additional credits become available due to  
238 the rescission of approvals or when a new fiscal year's

239 allocation of credits becomes available for approval **or**  
240 **authorized, as applicable.**

241 [7.] 8. All taxpayers with applications receiving  
242 approval on or after July 1, 2019, shall submit within  
243 [sixty] **one hundred twenty** days following the award of  
244 credits evidence of the capacity of the applicant to finance  
245 the costs and expenses for the rehabilitation of the  
246 eligible property in the form of a line of credit or letter  
247 of commitment subject to the lender's termination for a  
248 material adverse change impacting the extension of credit.  
249 If the department [of economic development] determines that  
250 a taxpayer has failed to comply with the requirements under  
251 this subsection, then the department shall notify the  
252 applicant of such failure and the applicant shall have a  
253 thirty-day period from the date of such notice to submit  
254 additional evidence to remedy the failure.

255 [8.] 9. All taxpayers with applications receiving  
256 approval on or after the effective date of this act shall  
257 commence rehabilitation within [nine] **eighteen** months of the  
258 date of issuance of the letter from the department [of  
259 economic development] granting the approval for tax  
260 credits. "Commencement of rehabilitation" shall mean that  
261 as of the date in which actual physical work, contemplated  
262 by the architectural plans submitted with the application,  
263 has begun, the taxpayer has incurred no less than ten  
264 percent of the estimated costs of rehabilitation provided in  
265 the application. Taxpayers with approval of a project shall  
266 submit evidence of compliance with the provisions of this  
267 subsection. **Taxpayers shall notify the department of any**  
268 **loss of site control or of any failure to exercise any**  
269 **option to obtain site control within the prescribed time**  
270 **period within ten days of such loss or failure.** If the

271 department [of economic development] determines that a  
272 taxpayer has **lost or failed to obtain site control of the**  
273 **eligible property or otherwise** failed to comply with the  
274 requirements provided under this section, the approval for  
275 the amount of tax credits for such taxpayer shall be  
276 rescinded [and such amount of tax credits]. **A taxpayer may**  
277 **voluntarily forfeit such approval at any time by written**  
278 **notice to the department. Any approval rescinded or**  
279 **forfeited under this subsection** shall then be included in  
280 the total amount of tax credits **available in the year of**  
281 **such rescission or forfeiture**, provided under subsection 2  
282 of section 253.550, from which approvals may be granted.  
283 Any taxpayer whose approval [shall be subject to rescission]  
284 **is rescinded or forfeited under this subsection** shall be  
285 notified of such from the department [of economic  
286 development] and, upon receipt of such notice, may submit a  
287 new application for the project. **If a taxpayer's approval**  
288 **is rescinded or forfeited under this subsection and such**  
289 **taxpayer later submits a new application for the same**  
290 **project, any expenditures eligible for tax credits under**  
291 **section 253.550 that are incurred by such taxpayer from and**  
292 **after the date of the rescinded or forfeited approval shall**  
293 **remain eligible expenditures for the purposes of determining**  
294 **the amount of tax credits that may be approved under section**  
295 **253.550.**

296 [9.] 10. (1) (a) To claim the credit authorized  
297 under sections [253.550] **253.544** to 253.559, a taxpayer with  
298 approval shall apply for final approval and issuance of tax  
299 credits from the department [of economic development],  
300 which[, in consultation with the department of natural  
301 resources,] shall determine the final amount of eligible  
302 rehabilitation costs and expenses and whether the completed

303 rehabilitation meets the **qualified rehabilitation** standards  
304 [of the Secretary of the United States Department of the  
305 Interior for rehabilitation as determined by the state  
306 historic preservation officer of the Missouri department of  
307 natural resources].

308 (b) Evidence that the completed rehabilitation meets  
309 the qualified rehabilitation standards shall be shown by one  
310 of the following:

311 a. Final approval by the state historic preservation  
312 office; or

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

314 (c) The state historic preservation office shall  
315 review each final application within sixty days and then  
316 forward the application to the National Park Service and  
317 send copies of any review comments to the applicant. If the  
318 state historic preservation office fails to review the  
319 application within sixty days, the application shall be  
320 forwarded without comments to the National Park Service and  
321 the state historic preservation office shall have no further  
322 opportunity to submit comments on such application.

323 (d) An award of tax credits under sections 253.544 to  
324 253.559 shall be contingent on and awarded upon the listing  
325 of such eligible property on the National Register of  
326 Historic Places.

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

334 certificates in the amount of seventy-five percent of the  
335 lesser of:

336 (a) The total amount of the tax credits for which the  
337 taxpayer is eligible as provided in the taxpayer's  
338 certification of qualified expenses submitted with an  
339 application for final approval; or

340 (b) The total amount of tax credits approved for such  
341 project under subsection 3 of this section, including any  
342 amounts approved in connection with a material change in the  
343 scope of the project.

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

349 (a) Make a final determination of the total costs and  
350 expenses of rehabilitation and the amount of tax credits to  
351 be issued for such costs and expenses;

352 (b) Notify the taxpayer in writing of its final  
353 determination; and

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

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

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

378           [10.] **11.** Except as expressly provided in this  
379 subsection, tax credit certificates shall be issued in the  
380 final year that costs and expenses of rehabilitation of the  
381 project are incurred, or within the twelve-month period  
382 immediately following the conclusion of such  
383 rehabilitation. In the event the amount of eligible  
384 rehabilitation costs and expenses incurred by a taxpayer  
385 would result in the issuance of an amount of tax credits in  
386 excess of the amount provided under such taxpayer's approval  
387 granted under subsection [4] **6** of this section, such  
388 taxpayer may apply to the department for issuance of tax  
389 credits in an amount equal to such excess. Applications for  
390 issuance of tax credits in excess of the amount provided  
391 under a taxpayer's application shall be made on a form  
392 prescribed by the department. Such applications shall be  
393 subject to all provisions regarding priority provided under  
394 subsection 1 of this section.

395           [11.] **12.** The department [of economic development]  
396 shall determine, on an annual basis, the overall economic

397 impact to the state from the rehabilitation of eligible  
398 property.

399       13. (1) With regard to an application submitted under  
400 sections 253.544 to 253.559, an applicant or an applicant's  
401 duly authorized representative may appeal any official  
402 decision, including all preliminary or final approvals,  
403 denials of approvals, or dollar amounts of issued tax  
404 credits, made by the department of economic development or  
405 the state historic preservation office. Such an appeal  
406 shall constitute an administrative review of the decision  
407 and shall not be conducted as an adjudicative proceeding.

408       (2) The department shall establish an equitable  
409 appeals process.

410       (3) The appeals process shall incorporate an  
411 independent review panel consisting of members of the  
412 private sector and the department.

413       (4) The department shall name an independent appeals  
414 officer as chair.

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

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

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

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

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

444 (9) The appeals officer and the members of the review  
445 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, **and such fee shall be**  
9 **considered a qualified rehabilitation expenditure.** However,  
10 no fee shall be charged for the tax credits issued under  
11 section 135.460, [or] section 208.770, or [under] sections  
12 32.100 to 32.125, if issued for community services, crime  
13 prevention, education, job training, or physical  
14 revitalization.



15           2. (1) All fees received by the department of  
16 economic development under this section shall be deposited  
17 solely to the credit of the economic development advancement  
18 fund, created under subsection 3 of this section.

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

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

32           (b) **Forty-two and one-half percent of such revenue**  
33 **shall be deposited in the economic development advancement**  
34 **fund for the purposes described in subsection 5 of this**  
35 **section.**

36           3. There is hereby created in the state treasury the  
37 "Economic Development Advancement Fund", which shall consist  
38 of money collected under this section. The state treasurer  
39 shall be custodian of the fund and shall approve  
40 disbursements from the fund in accordance with sections  
41 30.170 and 30.180. Upon appropriation, money in the fund  
42 shall be used solely for the administration of this  
43 section. Notwithstanding the provisions of section 33.080  
44 to the contrary, any moneys remaining in the fund at the end  
45 of the biennium shall not revert to the credit of the  
46 general revenue fund. The state treasurer shall invest

47 moneys in the fund in the same manner as other funds are  
48 invested. Any interest and moneys earned on such  
49 investments shall be credited to the fund.

50 4. Such fund shall consist of any fees charged under  
51 subsection 1 of this section, any gifts, contributions,  
52 grants, or bequests received from federal, private, or other  
53 sources, fees or administrative charges from private  
54 activity bond allocations, moneys transferred or paid to the  
55 department in return for goods or services provided by the  
56 department, and any appropriations to the fund.

57 5. At least fifty percent of the fees and other moneys  
58 deposited in the fund shall be appropriated for marketing,  
59 technical assistance, and training, contracts for  
60 specialized economic development services, and new  
61 initiatives and pilot programming to address economic  
62 trends. The remainder may be appropriated toward the costs  
63 of staffing and operating expenses for the program  
64 activities of the department of economic development, and  
65 for accountability functions.

✓