

FIRST REGULAR SESSION

# HOUSE BILL NO. 316

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIGGS.

0172H.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Section A. Sections 253.545, 253.550, 253.557, 253.559, and 620.1900, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 253.544, 253.545, 253.550, 253.557, 253.559, and 620.1900, to read as follows: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, fifty percent or five hundred thousand dollars, whichever is less;**

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

(c) **For the rehabilitation of a property located in a qualifying county approved for a tax credit under subsection 3 of section 253.550 and that is not a property that receives or intends to receive a tax credit under sections 135.350 to 135.363, thirty-five percent; or**

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

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.

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

16           ~~[(2)]~~ (3) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from  
17 a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

18           ~~[(3)]~~ (4) **"Department", the department of economic development;**

19           (5) "Eligible property", property located in Missouri and offered or used for  
20 residential or business purposes;

21           ~~[(4)]~~ (6) **"Eligible recipient":**

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

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

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

29           (a) **Is a historic county courthouse, vacant school, or theater; or**

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

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

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

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

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

44           ~~[(5)]~~ (10) "Principal", a managing partner, general partner, or president of a taxpayer;

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

48           ~~[(7)]~~ (11) "Qualified census tract", a census tract **or census block** with a poverty rate  
49 of twenty percent or higher as determined by a map and listing of census tracts which shall be  
50 published by the department ~~[of economic development]~~ and updated on a five-year cycle,

51 and which map and listing shall depict census tracts with twenty percent poverty rate or  
 52 higher, grouped by census tracts with twenty percent to forty-two percent poverty, and forty-  
 53 two percent to eighty-one percent poverty as determined by the most current five-year figures  
 54 published by the American Community Survey conducted by the United States Census  
 55 Bureau;

56 ~~[(8)]~~ (12) **"Qualified rehabilitation standards", the Secretary of the Interior's**  
 57 **Standards for Rehabilitation, codified under 36 CFR 67. The state historic preservation**  
 58 **office of the department of natural resources shall determine whether a rehabilitation**  
 59 **satisfies the standards within thirty days of a taxpayer filing an initial application for**  
 60 **tax credits. The department shall promptly notify the state historic preservation office**  
 61 **of each initial application for tax credits. If a property is an essential community facility**  
 62 **or heritage facility that is a historic county courthouse, "qualified rehabilitation**  
 63 **standards" shall apply only to the structure's exterior, including windows, and the**  
 64 **structure's site;**

65 (13) **"Qualifying county", any county of this state that is not:**

66 (a) **A county with more than seven hundred thousand but fewer than eight**  
 67 **hundred thousand inhabitants;**

68 (b) **A city not within a county; or**

69 (c) **A county with more than one million inhabitants;**

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

74 ~~[(9)]~~ (15) **"Taxpayer", any person, firm, partnership, trust, estate, limited liability**  
 75 **company, or corporation;**

76 (16) **"Vacant school", any historic school fifty years or older located in a**  
 77 **qualified county.**

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

11 percent of the total basis in the property and the rehabilitation meets ~~[standards consistent~~  
12 ~~with]~~ the **qualified rehabilitation** standards of the Secretary of the United States Department  
13 of the Interior for rehabilitation ~~[as determined by the state historic preservation officer of the~~  
14 ~~Missouri department of natural resources]~~ **of historic structures. State historic**  
15 **rehabilitation standards shall not be more restrictive than the Secretary of the**  
16 **Interior's Standards for Rehabilitation, 36 CFR 67.**

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

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

44         (3) For each fiscal year beginning on or after July 1, 2018, if the maximum amount of  
45 tax credits allowed in any fiscal year as provided under subdivisions (1) and (2) of this  
46 subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of  
47 this subsection shall be adjusted by the percentage increase in the Consumer Price Index for

48 All Urban Consumers, or its successor index, as such index is defined and officially reported  
49 by the United States Department of Labor, or its successor agency. Only one such adjustment  
50 shall be made for each instance in which the provisions of this subdivision apply. The  
51 director of the department [~~of economic development~~] shall publish such adjusted amount.

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

59 **(a) For the fiscal year beginning on July 1, 2023, and ending on June 30, 2024,**  
60 **five million dollars; and**

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

64

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

72 **3. (1) For all applications for tax credits approved on or after January 1, 2010, and**  
73 **before July 1, 2023, no more than two hundred fifty thousand dollars in tax credits may be**  
74 **issued for eligible costs and expenses incurred in the rehabilitation of an eligible property**  
75 **[which] that is a [nonincome] non-income-producing single-family, [owner-occupied]**  
76 **residential property occupied by the taxpayer applicant or any relative within the third**  
77 **degree of consanguinity or affinity of such applicant and that is either a certified historic**  
78 **structure or a structure in a certified historic district.**

79 **(2) For all applications for tax credits approved on or after July 1, 2023, tax**  
80 **credits in an amount equal to the applicable percentage may be issued for eligible costs**  
81 **and expenses incurred in the rehabilitation of an eligible property that is a non-income-**  
82 **producing single-family, residential property occupied by the taxpayer applicant or any**  
83 **relative within the third degree of consanguinity or affinity of such applicant and that is**  
84 **either a certified historic structure or a structure in a certified historic district. For**

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

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

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

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

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

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

253.557. 1. **For all applications for tax credits approved on or after January 1,**  
 2 **2010, and before July 1, 2023,** 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  
 4 state tax liability may be carried back to any of the three preceding years and carried forward  
 5 for credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for  
 6 sections 143.191 to 143.265 for the succeeding ten years, or until the full credit is used,  
 7 whichever occurs first.

8  
 9 Not-for-profit entities[;] including, but not limited to, corporations organized as not-for-profit  
 10 corporations pursuant to chapter 355 shall be [~~ineligible~~] **eligible** for the tax credits  
 11 authorized under sections 253.545 [~~through 253.561~~] **to 253.559**. Taxpayers eligible for  
 12 [~~such~~] tax credits may transfer, sell, or assign the credits. Credits granted to a partnership, a  
 13 limited liability company taxed as a partnership, or multiple owners of property shall be  
 14 passed through to the partners, members, or owners respectively pro rata or pursuant to an  
 15 executed agreement among the partners, members, or owners documenting an alternate  
 16 distribution method.

17 2. The assignee of the tax credits, hereinafter the assignee for purposes of this  
 18 subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities  
 19 otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to

20 143.265. The assignor shall perfect such transfer by notifying the department [~~of economic~~  
21 ~~development~~] in writing within thirty calendar days following the effective date of the  
22 transfer and shall provide any information as may be required by the department [~~of economic~~  
23 ~~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  
5 be 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  
7 the same day shall go through a lottery process to determine the order in which such  
8 applications shall be reviewed.

9 2. Each application shall be reviewed by the department [~~of economic development~~]  
10 for approval. In order to receive approval, an application, other than applications submitted  
11 under 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  
14 closing statement. Proof of site control may be evidenced by a leasehold interest or an option  
15 to acquire such an interest. If the taxpayer is in the process of acquiring fee simple  
16 ownership, proof of site control shall include an executed sales contract or an executed option  
17 to purchase the eligible property;

18 (2) Floor plans of the existing structure, architectural plans, and, where applicable,  
19 plans 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**  
24 **community or heritage facility**, a certified historic structure, or a structure in a certified  
25 historic district; **and**

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

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

30

31 Only the property for which a property address is provided in the application shall be  
32 reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request  
33 the review of another property for approval in the place of the property contained in such

34 application. Any disapproved application shall be removed from the review process. If an  
35 application is removed from the review process, the department [~~of economic development~~]  
36 shall notify the taxpayer in writing of the decision to remove such application. Disapproved  
37 applications shall lose priority in the review process. A disapproved application, which is  
38 removed from the review process, may be resubmitted, but shall be deemed to be a new  
39 submission for purposes of the priority procedures described in this section.

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

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

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

48 ~~(c)]~~ (c) The level of economic distress in the area; and

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

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

55 4. If the department [~~of economic development~~] deems the application sufficient, the  
56 taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the  
57 amount provided under section 253.550 less any amount of tax credits previously approved.  
58 Such approvals shall be granted to applications in the order of priority established under this  
59 section and shall require full compliance thereafter with all other requirements of law as a  
60 condition to any claim for such credits. If the department [~~of economic development~~]  
61 disapproves an application, the taxpayer shall be notified in writing of the reasons for such  
62 disapproval. A disapproved application may be resubmitted. **If the scope of a project for  
63 which an application has been approved under this section materially changes, the  
64 taxpayer shall be eligible to receive additional tax credits in the year in which the  
65 department is notified of and approves of such change in scope, subject to the provisions  
66 of subsection 2 of section 253.550 and subsection 5 of this section, if applicable; however,  
67 if such project was originally approved prior to August 28, 2018, the department shall  
68 evaluate the change in scope of the project under the criteria in effect prior to such date.  
69 A change in project scope shall be considered material under this subsection if:**



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

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

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

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

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

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

97           7. All taxpayers with applications receiving approval on or after July 1, 2019, shall  
98 submit within sixty days following the award of credits evidence of the capacity of the  
99 applicant to finance the costs and expenses for the rehabilitation of the eligible property in the  
100 form of a line of credit or letter of commitment subject to the lender's termination for a  
101 material adverse change impacting the extension of credit. If the department ~~[of economic~~  
102 ~~development]~~ determines that a taxpayer has failed to comply with the requirements under  
103 this subsection, then the department shall notify the applicant of such failure and the applicant  
104 shall have a thirty-day period from the date of such notice to submit additional evidence to  
105 remedy the failure.

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

132           9. (1) To claim the credit authorized under sections 253.550 to 253.559, a taxpayer  
133 with approval shall apply for final approval and issuance of tax credits from the department,  
134 ~~[of economic development]~~ which, in consultation with the department of natural resources,  
135 shall determine the final amount of eligible rehabilitation costs and expenses and whether the  
136 completed rehabilitation meets the **qualified rehabilitation** standards ~~[of the Secretary of the~~  
137 ~~United States Department of the Interior for rehabilitation as determined by the state historic~~  
138 ~~preservation officer of the Missouri department of natural resources]~~. **The department of**  
139 **natural resources shall allow for a third-party audit as evidence that the completed**  
140 **rehabilitation satisfies the qualified rehabilitation standards.**

141           (2) **Within sixty days of the department's receipt of all materials required by the**  
142 **department for an application for final approval and issuance of tax credits, which shall**

143 include an approved federal Part 3 application for projects receiving federal  
144 rehabilitation credits, the department shall issue to the taxpayer tax credit certificates  
145 in the amount of seventy-five percent of the lesser of:

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

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

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

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

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

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

163 (4) If the department determines that the amount of tax credits issued to a  
164 taxpayer in the initial tax credit issuance under subdivision (2) of this subsection is in  
165 excess of the total amount of tax credits such taxpayer is eligible to receive, the  
166 department shall notify such taxpayer, and such taxpayer shall repay the department an  
167 amount equal to such excess.

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

175 10. Except as expressly provided in this subsection, tax credit certificates shall be  
176 issued in the final year that costs and expenses of rehabilitation of the project are incurred, or  
177 within the twelve-month period immediately following the conclusion of such rehabilitation.  
178 In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer  
179 would result in the issuance of an amount of tax credits in excess of the amount provided

180 under such taxpayer's approval granted under subsection 4 of this section, such taxpayer may  
181 apply to the department for issuance of tax credits in an amount equal to such excess.  
182 Applications for issuance of tax credits in excess of the amount provided under a taxpayer's  
183 application shall be made on a form prescribed by the department. Such applications shall be  
184 subject to all provisions regarding priority provided under subsection 1 of this section.

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

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

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

199 **(3) Within fourteen days of receipt of an appeal, the appeals officer shall notify**  
200 **the department of economic development or the department of natural resources that an**  
201 **appeal is pending, identify the decision being appealed, and forward a copy of the**  
202 **information submitted by the appellant. The department of economic development or**  
203 **the department of natural resources may submit a written response to the appeal within**  
204 **thirty days.**

205 **(4) The appellant shall be entitled to one meeting with the appeals officer to**  
206 **discuss the appeal, and the appeals officer may schedule additional meetings at the**  
207 **officer's discretion. The department of economic development or the department of**  
208 **natural resources may appear at any such meeting.**

209 **(5) The appeals officer shall consider the record of the decision in question; any**  
210 **further written submissions by the appellant, department of economic development, or**  
211 **department of natural resources; and other available information and shall deliver a**  
212 **written decision to all parties as promptly as circumstances permit but no later than**  
213 **ninety 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  
2 recipient of any tax credits issued by the department, in an amount up to two and one-half  
3 percent of the amount of tax credits issued, or for tax credits issued under sections 253.545 to

4 253.559 in an amount equal to four percent of the amount of tax credits issued. The fee shall  
5 be paid by the recipient upon the issuance of the tax credits. However, no fee shall be charged  
6 for the tax credits issued under section 135.460, ~~or~~ section 208.770, or ~~under~~ sections  
7 32.100 to 32.125, if issued for community services, crime prevention, education, job training,  
8 or physical revitalization.

9 2. (1) All fees received by the department of economic development under this  
10 section shall be deposited solely to the credit of the economic development advancement  
11 fund, created 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  
14 the 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**  
26 **253.559; and**

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

30 3. There is hereby created in the state treasury the "Economic Development  
31 Advancement Fund", which shall consist of money collected under this section. The state  
32 treasurer shall be custodian of the fund and shall approve disbursements from the fund in  
33 accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be  
34 used solely for the administration of this section. Notwithstanding the provisions of section  
35 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not  
36 revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the  
37 fund in the same manner as other funds are invested. Any interest and moneys earned on such  
38 investments shall be credited to the fund.

39 4. Such fund shall consist of any fees charged under subsection 1 of this section, any  
40 gifts, contributions, grants, or bequests received from federal, private, or other sources, fees

41 or administrative charges from private activity bond allocations, moneys transferred or paid to  
42 the department in return for goods or services provided by the department, and any  
43 appropriations to the fund.

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

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