

SECOND REGULAR SESSION

# HOUSE BILL NO. 2717

99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE FRAKER.

6780H.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 8.007, 253.545, 253.550, 253.557, and 253.559, RSMo, and to enact in lieu thereof six new sections relating to facilities of historic significance.

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

Section A. Sections 8.007, 253.545, 253.550, 253.557, and 253.559, RSMo, are repealed  
2 and six new sections enacted in lieu thereof, to be known as sections 8.007, 253.544, 253.545,  
3 253.550, 253.557, and 253.559, to read as follows:

8.007. 1. The commission shall:

- 2 (1) Exercise general supervision of the administration of sections 8.001 to 8.007;
- 3 (2) Evaluate and approve capitol studies and improvement, expansion, renovation, and  
4 restoration projects to be paid for with funds appropriated from the state capitol commission  
5 fund;
- 6 (3) Evaluate and recommend courses of action on the restoration and preservation of the  
7 capitol, the preservation of historical significance of the capitol and the history of the capitol;
- 8 (4) Evaluate and recommend courses of action to ensure accessibility to the capitol for  
9 physically disabled persons;
- 10 (5) Advise, consult, and cooperate with the office of administration, the archives division  
11 of the office of the secretary of state, the historic preservation program within the department of  
12 natural resources, the division of tourism within the department of economic development and  
13 the historical society of Missouri in furtherance of the purposes of sections 8.001 to 8.007;
- 14 (6) Be authorized to cooperate or collaborate with other state agencies and not-for-profit  
15 organizations to publish books and manuals concerning the history of the capitol, its  
16 improvement or restoration;

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.

17 (7) Before each September first, recommend options to the governor on budget allocation  
18 for improvements or restoration of the capitol premises;

19 (8) Encourage, participate in, or conduct studies, investigations, and research and  
20 demonstrations relating to improvement and restoration of the state capitol it may deem  
21 advisable and necessary for the discharge of its duties pursuant to sections 8.001 to 8.007;

22 (9) Hold hearings, issue notices of hearings and take testimony as the commission deems  
23 necessary; and

24 (10) Initiate planning efforts, subject to the appropriation of funds, for a centennial  
25 celebration of the laying of the capstone of the Missouri state capitol.

26 2. The "State Capitol Commission Fund" is hereby created in the state treasury. **For the**  
27 **following fiscal years, the general assembly may appropriate moneys to the fund not to**  
28 **exceed the following amounts:**

29 (1) **For the fiscal year beginning on July 1, 2018, and ending on June 30, 2019, five**  
30 **million dollars;**

31 (2) **For the fiscal year beginning on July 1, 2019, and ending on June 30, 2020, ten**  
32 **million dollars;**

33 (3) **For each fiscal year beginning on or after July 1, 2020, and ending on or before**  
34 **June 30, 2022, twenty million dollars;**

35 (4) **For the fiscal year beginning on July 1, 2022, and ending on June 30, 2023, ten**  
36 **million dollars; and**

37 (5) **For the fiscal year beginning on July 1, 2023, and ending on June 30, 2024, five**  
38 **million dollars.**

39

40 Any moneys received from sources other than appropriation by the general assembly, including  
41 from private sources, gifts, donations and grants, shall be credited to the state capitol commission  
42 fund and shall be appropriated by the general assembly. **The amount by which any funds**  
43 **appropriated for the state capitol commission fund under subdivisions (1) to (5) of this**  
44 **subsection exceed the amount of moneys received from other sources as of March first of**  
45 **a given fiscal year shall be included in the total amount of tax credits that may be**  
46 **authorized under sections 253.545 to 253.559 for such fiscal year.**

47 3. The provisions of section 33.080 to the contrary notwithstanding, moneys in the  
48 [~~second~~] state capitol commission fund shall not be transferred and placed to the credit of the  
49 general revenue fund. Moneys in the state capitol commission fund shall not be appropriated for  
50 any purpose other than those designated by the commission.

51 4. The commission is authorized to accept all gifts, bequests and donations from any  
52 source whatsoever. The commission may also apply for and receive grants consistent with the

53 purposes of sections 8.001 to 8.007. All such gifts, bequests, donations and grants shall be used  
54 or expended upon appropriation in accordance with their terms or stipulations, and the gifts,  
55 bequests, donations or grants may be used or expended for the preservation, improvement,  
56 expansion, renovation, restoration and improved accessibility and for promoting the historical  
57 significance of the capitol.

58 5. The commission may copyright or obtain a trademark for any photograph, written  
59 work, art object, or any product created of the capitol or capitol grounds. The commission may  
60 grant access or use of any such works to other organizations or individuals for a fee, at its sole  
61 discretion, or waive all fees. All funds obtained through licensing fees shall be credited to the  
62 capitol commission fund in a manner similar to funds the commission receives as gifts,  
63 donations, and grants. The funds shall be used for repairs, refurbishing, or to create art, exhibits,  
64 decorations, or other beautifications or adornments to the capitol or its grounds.

**253.544. Sections 253.544 to 253.559 shall be known and may be cited as the**  
2 **"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  
2 context requires otherwise:

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

4 (a) **For essential community or heritage facility projects, fifty percent or five**  
5 **hundred thousand dollars, whichever is less;**

6 (b) **For residential projects approved for tax credits under subsection 3 of section**  
7 **253.550, twenty-five percent or fifty thousand dollars, whichever is less;**

8 (c) **For projects located in a qualifying county that are not an essential community**  
9 **or heritage facility project or not a residential project approved under subsection 3 of**  
10 **section 253.550, thirty-five percent;**

11 (d) **For projects located in a qualifying county that are not an essential community**  
12 **or heritage facility project or not a residential project approved under subsection 3 of**  
13 **section 253.550, and that also receive tax credits under sections 135.350 to 135.363, twenty-**  
14 **five percent;**

15 (e) **For projects not located in a qualifying county that are not an essential**  
16 **community or heritage facility project or not a residential project approved under**  
17 **subsection 3 of section 253.550, twenty-five percent;**

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

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

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

23           ~~[(3)]~~ (5) "Eligible property", property located in Missouri and offered or used for  
24 residential or business purposes;

25           (6) "Eligible recipient":

26           (a) For essential community or heritage facility projects, any taxpayer, including  
27 not-for-profit, governmental, or quasi-governmental entities incurring expenses in  
28 connection with an eligible property; or

29           (b) For all other projects, any individual taxpayer or for-profit entity incurring  
30 expenses in connection with an eligible property;

31           (7) "Essential community or heritage facility", any structure located in a qualifying  
32 county that:

33           (a) Is significant in the history, architecture, archaeology, or culture of this state  
34 or its communities, as designated by the governing body of the qualifying county;

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

39           (c) Has at least one hundred thousand dollars in estimated eligible costs and  
40 expenses to be incurred in the rehabilitation of such structure or, in the case of a leased  
41 property used to promote or educate patrons on the history, architecture, archaeology, or  
42 culture of this state or its communities, as designated by the governing body of the  
43 qualifying county, fifty thousand dollars in estimated eligible costs and expenses to be  
44 incurred in the rehabilitation of such structure;

45           ~~[(4)]~~ (8) "Leasehold interest", a lease in an eligible property for a term of not less than  
46 thirty years;

47           ~~[(5)]~~ (9) "Principal", a managing partner, general partner, or president of a taxpayer;

48           (10) "Qualified rehabilitation standards", the Standards for Rehabilitation of the  
49 Secretary of the Interior, as codified in 36 C.F.R. 67, that the state historic preservation  
50 office of the department of natural resources adopts, provided if an essential community  
51 facility or heritage facility project, such standards shall only apply to the structure  
52 exterior, including windows, and the structure site;

53           (11) "Qualifying county", any county of this state except counties of the first  
54 classification with a charter form of government;

55           ~~[(6)]~~ (12) "Structure in a certified historic district", a structure located in Missouri which  
56 is certified by the department of natural resources as contributing to the historic significance of  
57 a certified historic district listed on the National Register of Historic Places, or a local district  
58 that has been certified by the United States Department of the Interior;

59           ~~[(7)]~~ (13) "Taxpayer", any person, firm, partnership, trust, estate, limited liability  
60 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, heritage facility**, certified historic structure, or  
3 structure in a certified historic district, ~~[may]~~ **shall**, subject to the provisions of this section and  
4 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 section 47(c)(2)(A) of the Internal Revenue Code of 1986, as  
9 amended, and the related regulations thereunder, provided the rehabilitation costs associated with  
10 rehabilitation and the expenses exceed fifty percent of the total basis in the property and the  
11 rehabilitation meets ~~[standards consistent with]~~ the **qualified rehabilitation** standards ~~[of the~~  
12 ~~Secretary of the United States Department of the Interior for rehabilitation as determined by the~~  
13 ~~state historic preservation officer of the Missouri department of natural resources]~~.

14           2. (1) During the period beginning on January 1, 2010, but ending on or after June 30,  
15 2010, the department of economic development shall not approve applications for tax credits  
16 under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed  
17 seventy million dollars, increased by any amount of tax credits for which approval shall be  
18 rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July  
19 1, 2010, the department of economic development shall not approve applications for tax credits  
20 under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed  
21 one hundred forty million dollars, increased by any amount of tax credits for which approval  
22 shall be rescinded under the provisions of section 253.559. **For each fiscal year beginning on**  
23 **or after July 1, 2018, the maximum amount of tax credits allowed in any fiscal year under**  
24 **this subsection shall be adjusted for inflation annually, calculated using the Consumer**  
25 **Price Index for All Urban Consumers, or its successor index, as issued by the United States**  
26 **Department of Labor, or its successor agency. The director of the department of economic**  
27 **development shall annually publish such adjusted tax credit maximum.** The limitations  
28 provided under this subsection shall not apply to applications approved under the provisions of  
29 subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five  
30 thousand dollars in tax credits.

31           (2) **For each fiscal year beginning on or after July 1, 2018, and ending on or before**  
32 **June 30, 2024, the maximum amount of tax credits that may be authorized under**  
33 **subdivision (1) of this subsection shall be reduced by the amounts provided under**  
34 **subdivisions (1) to (5) of subsection 2 of section 8.007.**

35           **(3) Of the total amount of tax credits that may be authorized under subdivision (1)**  
36 **of this subsection, ten million dollars shall be reserved for essential community or heritage**  
37 **facility projects, provided that no qualifying county shall have more than two such projects**  
38 **authorized in a fiscal year and further provided that no such project shall receive an**  
39 **authorization for tax credits other than from the amount reserved under this subdivision.**  
40 **Any amount of tax credits reserved under this subdivision that are not authorized by**  
41 **March thirty-first of a fiscal year shall no longer stand reserved and may be authorized for**  
42 **any project under sections 253.544 to 253.559. In the event the department receives and**  
43 **approves applications for essential community or heritage facility projects in an amount**  
44 **in excess of the available amount reserved under this subdivision, such amount of excess**  
45 **approvals shall be subject to the procedures set forth in subsection 5 of section 253.559.**

46           3. **(1) For all applications for tax credits approved on or after January 1, 2010, and on**  
47 **or before June 30, 2018, no more than two hundred fifty thousand dollars in tax credits may be**  
48 **issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which**  
49 **is a ~~[nonincome]~~ non-income-producing single-family, ~~[owner-occupied]~~ residential property**  
50 **occupied by the taxpayer applicant or any relative within the third degree of consanguinity**  
51 **or affinity of such applicant and is either a certified historic structure or a structure in a**  
52 **certified historic district.**

53           **(2) For all applications for tax credits approved on or after July 1, 2018, tax credits**  
54 **in amount equal to the applicable percentage may be issued for eligible costs and expenses**  
55 **incurred in the rehabilitation of an eligible property that is a non-income-producing,**  
56 **single-family residential property occupied by the taxpayer applicant or any relative within**  
57 **the third degree of consanguinity or affinity of such applicant and is either a certified**  
58 **historic structure or a structure in a certified historic district. For projects not located in**  
59 **a qualifying county, no tax credits shall be issued under this subsection unless such project**  
60 **is located in a distressed community, as defined under section 135.530.**

61           4. The limitations on tax credit authorization provided under the provisions of  
62 subsections 2 and 3 of this section shall not apply to:

63           (1) Any application submitted by a taxpayer, which has received approval from the  
64 department prior to January 1, 2010; or

65           (2) Any taxpayer applying for tax credits, provided under this section, which, on or  
66 before January 1, 2010, has filed an application with the department evidencing that such  
67 taxpayer:

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

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

253.557. 1. **For all applications for tax credits approved on or after January 1,**  
2 **2010, and on or before June 30, 2018,** if the amount of such credit exceeds the total tax liability  
3 for 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 for  
5 credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections  
6 143.191 to 143.265 for the succeeding ten years, or until the full credit is used, whichever occurs  
7 first. **For all applications for tax credits approved on or after July 1, 2018, if the amount**  
8 **of such credit exceeds the total tax liability for the year in which the rehabilitated property**  
9 **is placed in service, the amount that exceeds the state tax liability may be carried back to**  
10 **the immediately preceding tax year and carried forward for credit against the taxes**  
11 **imposed under chapters 143 and 148, except sections 143.191 to 143.265, for the succeeding**  
12 **five years or until the full credit is used, whichever occurs first.** Not-for-profit entities,  
13 including but not limited to corporations organized as not-for-profit corporations pursuant to  
14 chapter 355 shall be [~~ineligible~~] **eligible** for the tax credits authorized under sections 253.545  
15 [~~through 253.564~~] **to 253.559 only if such tax credits are approved for essential community**  
16 **or heritage facility projects.** Taxpayers eligible for such tax credits may transfer, sell or assign  
17 the credits. Credits granted to a partnership, a limited liability company taxed as a partnership  
18 or multiple owners of property shall be passed through to the partners, members or owners  
19 respectively pro rata or pursuant to an executed agreement among the partners, members or  
20 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 8 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 8 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 **either a designated essential**  
24 **community, heritage facility**, a certified historic structure, or a structure in a certified historic  
25 district; and

26         (5) Any other information which the department of economic development may  
27 reasonably require to review the project for approval.

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

37         3. If the department of economic development deems the application sufficient, the  
38 taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the  
39 amount provided under section 253.550 less any amount of tax credits previously approved.  
40 Such approvals shall be granted to applications in the order of priority established under this



41 section and shall require full compliance thereafter with all other requirements of law as a  
42 condition to any claim for such credits. **If the scope of a project for which an application is**  
43 **approved under this section materially changes, the taxpayer shall be eligible to receive**  
44 **additional tax credits in the year in which the department is notified of and approves such**  
45 **change in scope, subject to the provisions of subsection 2 of section 253.550 and subsection**  
46 **5 of this section if applicable. A change in project scope shall be considered material under**  
47 **this subsection if:**

48 (1) **The project has not previously been subject to a material change in scope for**  
49 **which additional tax credits were approved; and**

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

53 4. Following approval of an application, the identity of the taxpayer contained in such  
54 application shall not be modified except:

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

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

63 5. In the event that the department of economic development grants approval for tax  
64 credits equal to the total amount available **or reserved, as applicable**, under subsection 2 of  
65 section 253.550, or sufficient that when totaled with all other approvals, the amount available  
66 **or reserved, as applicable**, under subsection 2 of section 253.550 is exhausted, all taxpayers  
67 with applications then awaiting approval or thereafter submitted for approval shall be notified  
68 by the department of economic development that no additional approvals shall be granted during  
69 the fiscal year and shall be notified of the priority given to such taxpayer's application then  
70 awaiting approval. Such applications shall be kept on file by the department of economic  
71 development and shall be considered for approval for tax credits in the order established in this  
72 section in the event that additional credits become available due to the rescission of approvals  
73 or when a new fiscal year's allocation of credits becomes available for approval **or reservation,**  
74 **as applicable.**

75 6. All taxpayers with applications receiving approval on or after the effective date of this  
76 act shall commence rehabilitation within ~~[two years]~~ **eighteen months** of the date of issuance

77 of the letter from the department of economic development granting the approval for tax credits.  
78 "Commencement of rehabilitation" shall mean that as of the date in which actual physical work,  
79 contemplated by the architectural plans submitted with the application, has begun, the taxpayer  
80 has incurred no less than ~~ten~~ **twenty** percent of the estimated costs of rehabilitation provided  
81 in the application. Taxpayers with approval of a project shall submit evidence of compliance  
82 with the provisions of this subsection. **Taxpayers shall notify the department of any loss of**  
83 **site control or failure to exercise any option to obtain site control within the prescribed**  
84 **time period within ten days of such loss or failure.** If the department of economic  
85 development determines that a taxpayer has **lost or failed to obtain site control of the eligible**  
86 **property or otherwise** failed to comply with the requirements provided under this section, the  
87 approval for the amount of tax credits for such taxpayer shall be rescinded ~~[and such amount of~~  
88 ~~tax credits]~~ . **A taxpayer may voluntarily forfeit such approval at any time by written notice**  
89 **to the department. Any approval rescinded or forfeited under this subsection** shall then be  
90 included in the total amount of tax credits **available in the year of such rescission or**  
91 **forfeiture**, provided under subsection 2 of section 253.550, from which approvals may be  
92 granted. Any taxpayer whose approval ~~[shall be subject to rescission]~~ **is rescinded or forfeited**  
93 **under this section** shall be notified of such from the department of economic development and,  
94 upon receipt of such notice, may submit a new application for the project. **If a taxpayer's**  
95 **approval is rescinded or forfeited under this subsection and such taxpayer later submits**  
96 **a new application for the same project, any expenditures eligible for tax credits under**  
97 **section 253.550 that are incurred by such taxpayer from and after the date of the rescinded**  
98 **or forfeited approval shall remain eligible expenditures for the purposes of determining**  
99 **the amount of tax credits which may be approved under section 253.550.**

100 7. (1) To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with  
101 approval shall apply for final approval and issuance of tax credits from the department of  
102 economic development which, in consultation with the department of natural resources, shall  
103 determine the final amount of eligible rehabilitation costs and expenses and whether the  
104 completed rehabilitation meets the **qualified rehabilitation** standards ~~[of the Secretary of the~~  
105 ~~United States Department of the Interior for rehabilitation]~~ as determined by the state historic  
106 preservation officer of the Missouri department of natural resources.

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

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

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

117           **(3) Within one year of the department's receipt of all materials required by the**  
118 **department for an application of final approval and issuance of tax credits for a project,**  
119 **unless such project is under appeal under subsection 11 of this section, the department**  
120 **shall:**

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

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

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

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

133           **(5) For financial institutions credits authorized pursuant to sections 253.550 to [253.561]**  
134 **253.559 shall be deemed to be economic development credits for purposes of section 148.064.**  
135 **The approval of all applications and the issuing of certificates of eligible credits to taxpayers**  
136 **shall be performed by the department of economic development. The department of economic**  
137 **development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer,**  
138 **tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns**  
139 **on which the credit is claimed.**

140           **8. (1) Except as expressly provided in this subsection, tax credit certificates shall be**  
141 **issued in the final year that costs and expenses of rehabilitation of the project are incurred, or**  
142 **within the twelve-month period immediately following the conclusion of such rehabilitation.**  
143 **In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer**  
144 **would result in the issuance of an amount of tax credits in excess of the amount provided under**  
145 **such taxpayer's approval granted under subsection 3 of this section, such taxpayer may apply to**  
146 **the department for issuance of tax credits in an amount equal to such excess. Applications for**

147 issuance of tax credits in excess of the amount provided under a taxpayer's application shall be  
148 made on a form prescribed by the department. Such applications shall be subject to all  
149 provisions regarding priority provided under subsection 1 of this section.

150 **(2) The provisions of section 620.1900 to the contrary notwithstanding, upon**  
151 **issuance of tax credits under sections 253.544 to 253.559, a taxpayer shall remit a fee:**

152 **(a) In the amount equal to two percent of the value of the tax credits to the**  
153 **department, which shall be deposited in the economic development advancement fund;**

154 **(b) In the amount equal to one-quarter of one percent of the value of the tax credits**  
155 **to the department, which shall be used for the administration of sections 253.545 to**  
156 **253.559; and**

157 **(c) In the amount equal to one-quarter of one percent of the value of the tax credits**  
158 **to the department of natural resources.**

159 9. The department of economic development shall determine, on an annual basis, the  
160 overall economic impact to the state from the rehabilitation of eligible property.

161 **10. No project not located in a qualifying county shall receive a tax credit under**  
162 **both sections 253.545 to 253.559 and sections 135.350 to 135.363.**

163 **11. (1) An applicant or an applicant's duly authorized representative may appeal**  
164 **any official decision, including all preliminary or final approvals and denials of approvals,**  
165 **made by the department or the department of natural resources with regard to an**  
166 **application submitted under sections 253.544 to 253.559 to an independent third-party**  
167 **appeals officer designated by the department. Such appeals shall constitute an**  
168 **administrative review of the decision and shall not be conducted as an adjudicative**  
169 **proceeding.**

170 **(2) Appeals shall be submitted to the designated appeals officer in writing within**  
171 **thirty days of receipt, by the applicant or the applicant's duly authorized representative,**  
172 **of the decision that is the subject of the appeal and shall include all information the**  
173 **appellant wishes the appeals officer to consider in deciding the appeal.**

174 **(3) Within fourteen days of receipt of an appeal, the appeals officer shall notify the**  
175 **department or the department of natural resources that an appeal is pending, identify the**  
176 **decision being appealed, and forward a copy of the information submitted by the appellant.**  
177 **The department or the department of natural resources may submit a written response to**  
178 **the appeal within thirty days.**

179 **(4) The appellant shall be entitled to one meeting with the appeals officer to discuss**  
180 **the appeal, but the appeals officer may schedule additional meetings at the officer's**  
181 **discretion. The department or the department of natural resources may appear at all**  
182 **meetings.**

183           **(5) The appeals officer shall consider the record of the decision in question, any**  
184 **further written submissions by the appellant and by the department or the department of**  
185 **natural resources, and other available information and shall deliver a written decision to**  
186 **all parties as promptly as circumstances permit, but no later than ninety days after the**  
187 **initial receipt of an appeal by the appeals officer.**

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