

FIRST REGULAR SESSION
[PERFECTED]
HOUSE SUBSTITUTE FOR
HOUSE BILL NO. 197
92ND GENERAL ASSEMBLY

Taken up for Perfection March 11, 2003.

House Substitute for House Bill No. 197 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

0775L.04P

AN ACT

To repeal sections 135.207, 135.208, 135.478, 135.481, 135.484, 135.487, and 135.530, RSMo, and to enact in lieu thereof nine new sections relating to economic development projects.

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

Section A. Sections 135.207, 135.208, 135.478, 135.481, 135.484, 135.487, and
2 135.530, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as
3 sections 135.207, 135.208, 135.211, 135.212, 135.478, 135.481, 135.484, 135.487, and 135.530,
4 to read as follows:

135.207. 1. (1) Any city with a population of at least three hundred fifty thousand
2 inhabitants which is located in more than one county and any city not within a county, which
3 includes an existing state designated enterprise zone within the corporate limits of the city may
4 each, upon approval of the local governing authority of the city and the director of the
5 department of economic development, designate up to three satellite zones within its corporate
6 limits. A prerequisite for the designation of a satellite zone shall be the approval by the director
7 of a plan submitted by the local governing authority of the city describing how the satellite zone
8 corresponds to the city's overall enterprise zone strategy.

9 (2) Any Missouri community classified as a village whose borders lie adjacent to a city
10 with a population in excess of three hundred fifty thousand inhabitants as described in
11 subdivision (1) of this subsection, and which has within the corporate limits of the village a
12 factory, mining operation, office, mill, plant or warehouse which has at least three thousand

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

13 employees and has an investment in plant, machinery and equipment of at least two hundred
14 million dollars may, upon securing approval of the director and the local governing authorities
15 of the village and the adjacent city which contains an existing state designated enterprise zone,
16 designate one satellite zone to be located within the corporate limits of the village, such zone to
17 be in addition to the six authorized in subdivision (1) of this subsection.

18 (3) Any geographical area partially contained within any city not within a county and
19 partially contained within any county of the first classification with a charter form of government
20 with a population of nine hundred thousand or more inhabitants, which area is comprised of a
21 total population of at least four thousand inhabitants but not more than seventy- two thousand
22 inhabitants, and which area consists of at least one fourth class city, and has within its boundaries
23 a military reserve facility and a utility pumping station having a capacity of ten million cubic
24 feet, may, upon securing approval of the director and the appropriate local governing authorities
25 as provided for in section 135.210, be designated as a satellite zone, such zone to be in addition
26 to the six authorized in subdivision (1) of this subsection.

27 (4) **In addition to all other satellite zones authorized in this section, any home rule**
28 **city with more than one hundred fifty-one thousand five hundred but less than one**
29 **hundred fifty-one thousand six hundred inhabitants which includes an existing state**
30 **designated enterprise zone within the corporate limits of the city may, upon approval of**
31 **the governing authority of the city and the director of the department of economic**
32 **development, designate one satellite zone within its corporate limits. The zone shall be on**
33 **land owned by the city which contains a wastewater treatment plant with a treatment**
34 **capacity of five million six hundred thousand cubic feet per day and an electric power**
35 **plant having a capacity of at least two hundred seventy-five megawatts. No satellite zone**
36 **shall be designated pursuant to this subsection until the governing authority of the city**
37 **submits a plan describing how the satellite zone corresponds to the city's overall enterprise**
38 **zone strategy and the director approves the plan.**

39 (5) **In addition to all other satellite zones authorized in this section, any city of the**
40 **fourth classification with more than three thousand eight hundred but less than four**
41 **thousand inhabitants and located in more than one county and which city lies adjacent to**
42 **any home rule city with more than one hundred thirteen thousand two hundred but less**
43 **than one hundred thirteen thousand three hundred inhabitants and which contains an**
44 **enterprise zone may, upon approval of the director and the governing authorities of the**
45 **city of the fourth classification and the home rule city, designate one satellite zone within**
46 **its corporate limits. The satellite enterprise zone authorized by this subsection shall be**
47 **designated only if it meets the criteria established by subdivisions (1) to (4) of subsection**
48 **2 of this section. Retail businesses, as identified by the 1997 North American Industry**

49 **Classification System (NAICS) sector number 44-45, located within the satellite enterprise**
50 **zone shall be eligible for all benefits provided pursuant to the provisions of sections 135.200**
51 **to 135.258.**

52 **(6) In addition to all other satellite zones authorized in this section, any home rule**
53 **city with more than seventy-three thousand but less than seventy-five thousand inhabitants**
54 **which includes an existing state designated enterprise zone within the corporate limits of**
55 **the city may, upon approval of the governing authority of the city and the director of the**
56 **department of economic development, designate one satellite zone within its corporate**
57 **limits. No satellite zone shall be designated pursuant to this subsection until the governing**
58 **authority of the city submits a plan describing how the satellite zone corresponds to the**
59 **city's overall enterprise zone strategy and the director approves the plan.**

60 2. For satellite zones designated pursuant to the provisions of subdivisions (1) and (3)
61 of subsection 1 of this section, the satellite zones, in conjunction with the existing
62 state-designated enterprise zone shall meet the following criteria:

63 (1) The area is one of pervasive poverty, unemployment, and general distress, or one in
64 which a large number of jobs have been lost, a large number of employers have closed, or in
65 which a large percentage of available production capacity is idle. For the purpose of this
66 subdivision, "large number of jobs" means one percent or more of the area's population according
67 to the most recent decennial census, and "large number of employers" means over five;

68 (2) At least fifty percent of the residents living in the area have incomes below eighty
69 percent of the median income of all residents within the state of Missouri according to the last
70 decennial census or other appropriate source as approved by the director;

71 (3) The resident population of the existing state designated enterprise zone and its
72 satellite zones must be at least four thousand but not more than seventy-two thousand at the time
73 of designation;

74 (4) The level of unemployment of persons, according to the most recent data available
75 from the division of employment security or from the United States Bureau of Census and
76 approved by the director, within the area exceeds one and one-half times the average rate of
77 unemployment for the state of Missouri over the previous twelve months, or the percentage of
78 area residents employed on a full-time basis is less than sixty percent of the statewide percentage
79 of residents employed on a full-time basis.

80 3. A qualified business located within a satellite zone shall be subject to the same
81 eligibility criteria and can be eligible to receive the same benefits as a qualified facility in
82 sections 135.200 to 135.255.

135.208. 1. In addition to the number of enterprise zones authorized under the
2 provisions of sections 135.206 and 135.210, the department of economic development shall

3 designate one such zone in any county of the third class which is south of the Missouri River and
4 which adjoins one county of the second class and also the state of Oklahoma. Such designation
5 shall only be made if the area of the county which is to be included in the enterprise zone meets
6 all the requirements of section 135.205.

7 2. In addition to the number of enterprise zones authorized under the provisions of
8 sections 135.206 and 135.210, the department of economic development shall designate one such
9 zone in any county of the third class which borders the Missouri River and which adjoins a
10 county of the second class with a population of at least one hundred thousand inhabitants and
11 which contains a branch of the state university. Such designation shall only be made if the area
12 of the county which is to be included in the enterprise zone meets all the requirements of section
13 135.205.

14 3. In addition to the number of enterprise zones authorized under the provisions of
15 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
16 one such zone in every county of the third class without a township form of government with a
17 population of more than seven thousand eight hundred but less than ten thousand inhabitants
18 located south of the Missouri River, which adjoins one third class county with a township form
19 of government, and which adjoins no first or second class county. Such enterprise zone
20 designation shall only be made if the area in the county which is to be included in the enterprise
21 zone meets all the requirements of section 135.205.

22 4. In addition to the number of enterprise zones authorized pursuant to the provisions
23 of sections 135.206, 135.210 and 135.256, the department of economic development shall
24 designate one such zone in a city of the third class with a population of more than eight thousand
25 but less than ten thousand located in a county of the third classification with a township form of
26 government with a population of more than twenty thousand but less than twenty-two thousand.
27 Such enterprise zone designation shall only be made if the area in the city which is to be included
28 in the enterprise zone meets all the requirements of section 135.205.

29 5. In addition to the number of enterprise zones authorized pursuant to the provisions
30 of sections 135.206, 135.210 and 135.256, the department of economic development shall
31 designate one such zone for any city with a home rule form of government and a population of
32 at least one hundred ten thousand inhabitants but not more than one hundred thirty thousand
33 inhabitants. Such enterprise zone designation shall only be made if the area in the city which is
34 to be included in the enterprise zone meets all the requirements of section 135.205.

35 6. In addition to the number of enterprise zones authorized pursuant to the provisions
36 of sections 135.206, 135.210 and 135.256, the department of economic development shall
37 designate one such zone for any county of the first classification without a charter form of
38 government with a population of less than thirty thousand inhabitants. Such enterprise zone

39 designation shall only be made if the area in the city which is to be included in the enterprise
40 zone meets all the requirements of section 135.205.

41 7. In addition to the number of enterprise zones authorized pursuant to the provisions
42 of sections 135.206, 135.210, 135.256 and 135.257, the department of economic development
43 shall designate one such zone in a city of the fourth classification with a population of at least
44 three thousand but less than four thousand inhabitants located in a county of the second
45 classification with a population of at least twenty thousand but not more than twenty-five
46 thousand inhabitants. Such enterprise zone designation shall only be made if such area which
47 is to be included in the enterprise zone meets all the requirements of section 135.205.

48 8. In addition to the number of enterprise zones authorized pursuant to the provisions
49 of sections 135.206, 135.210, 135.256 and 135.257, the department of economic development
50 shall designate one such zone for any area that includes property in two adjoining counties where
51 one county is a county of the third classification without a township form of government with
52 a population of less than sixteen thousand three hundred and more than sixteen thousand
53 inhabitants and the other county is a county of the first classification having a population of at
54 least one hundred seventy-one thousand but less than one hundred seventy-two thousand
55 inhabitants. Such enterprise zone designation shall only be made if such area which is to be
56 included in the enterprise zone meets all the requirements of section 135.205.

57 9. In addition to the number of enterprise zones authorized pursuant to the provisions
58 of sections 135.206, 135.210 and 135.256, the department of economic development shall
59 designate one such zone in a city of the fourth class with a population of more than four thousand
60 located in a county of the third classification with a township form of government and with a
61 population of less than thirteen thousand. Such enterprise zone designation shall only be made
62 if the area in the city which is to be included in the enterprise zone meets all the requirements
63 of section 135.205.

64 10. In addition to the number of enterprise zones authorized pursuant to the provisions
65 of sections 135.206, 135.210 and 135.256, the department of economic development shall
66 designate one such zone in a city of the fourth class with a population of more than two thousand
67 nine hundred located in a county of the third classification without a township form of
68 government with a population of less than twelve thousand and more than eleven thousand seven
69 hundred inhabitants. Such enterprise zone designation shall only be made if the area in the city
70 which is to be included in the enterprise zone meets all the requirements of section 135.205.

71 11. In addition to the number of enterprise zones authorized pursuant to the provisions
72 of sections 135.206, 135.210 and 135.256, the department of economic development shall
73 designate one such zone in a county of the third classification without a township form of
74 government with a population of less than twenty-four thousand five hundred and more than

75 twenty-four thousand inhabitants. Such enterprise zone designation shall only be made if the
76 area in the county which is to be included in the enterprise zone meets all the requirements of
77 section 135.205.

78 **12. In addition to the number of enterprise zones authorized in this chapter, the**
79 **department of economic development shall designate one such zone for any city of the**
80 **fourth classification with more than one thousand three hundred but less than one**
81 **thousand four hundred inhabitants and located in any county of the third classification**
82 **without a township form of government and with more than twenty-two thousand eight**
83 **hundred but less than twenty-two thousand nine hundred inhabitants. Such enterprise**
84 **zone designation shall only be made if the area in the city which is to be included in the**
85 **enterprise zone meets all the requirements of section 135.205.**

86 **13. In addition to the number of enterprise zones authorized in this chapter, the**
87 **department of economic development shall designate one such zone for any city of the**
88 **fourth classification with more than thirty thousand three hundred but less than thirty**
89 **thousand four hundred inhabitants and located in any county of the first class with a**
90 **charter form of government and with more than six hundred thousand but less than seven**
91 **hundred thousand inhabitants. Such enterprise zone designation shall only be made if the**
92 **area in the city which is to be included in the enterprise zone meets all the requirements**
93 **of section 135.205.**

135.211. In addition to any other enterprise zones authorized in this chapter, the
2 **department of economic development shall designate one enterprise zone which shall have**
3 **boundaries that are the same as any county of the third classification without a township**
4 **form of government and with more than forty-one thousand one hundred but less than**
5 **forty-one thousand two hundred inhabitants and the portion of any city of the fourth**
6 **classification with more than one thousand eight hundred but less than one thousand nine**
7 **hundred and located in more than one county that is not located in any county of the third**
8 **classification without a township form of government and with more than forty-one**
9 **thousand one hundred but less than forty-one thousand two hundred inhabitants. Such**
10 **enterprise zone designation shall only be made if the area which is to be included in the**
11 **enterprise zone meets all the requirements of section 135.205.**

135.212. In addition to any other enterprise zones authorized in this chapter, the
2 **department of economic development shall designate one enterprise zone which shall have**
3 **boundaries that are the same as any home rule city with more than eighty-four thousand**
4 **five hundred but less than eighty-four thousand six hundred inhabitants located in any**
5 **county of the first classification with more than one hundred thirty-five thousand four**
6 **hundred but less than one hundred thirty-five thousand five hundred inhabitants. Such**

7 **enterprise zone designation shall only be made if the area which is to be included in the**
8 **enterprise zone meets all the requirements of section 135.205.**

135.478. As used in sections 135.481 to 135.487, the following terms mean:

- 2 (1) "Department", the department of economic development;
- 3 (2) "Director", the director of the department of economic development;
- 4 (3) "Distressed community", as defined in section 135.530;
- 5 (4) "Eligible costs for a new residence", expenses incurred for property acquisition,
6 development, site preparation[other than demolition], surveys, architectural and engineering
7 services and construction and all other necessary and incidental expenses incurred for
8 constructing a new market rate residence, which is or will be owner-occupied, which is not
9 replacing a national register listed or local historic structure; except that, costs paid for by the
10 taxpayer with grants or forgivable loans, other than tax credits, provided pursuant to state or
11 federal governmental programs are ineligible;
- 12 (5) "Eligible costs for rehabilitation", expenses incurred for the renovation or
13 rehabilitation of an existing residence **or structure** including site preparation, surveys,
14 architectural and engineering services, construction, modification, expansion, remodeling,
15 structural alteration, replacements and alterations; except that, costs paid for by the taxpayer with
16 grants or forgivable loans other than tax credits provided pursuant to state or federal
17 governmental programs are ineligible;
- 18 (6) "Eligible residence", a single-family residence **or a condominium or residence**
19 **within a multiple residential structure or a structure containing multiple single-family**
20 **residences** forty years of age or older, located in this state and not within a distressed community
21 as defined by section 135.530, which is occupied or intended to be or occupied long-term by the
22 owner or offered for sale at market rate for owner-occupancy and which is either located within
23 a United States census block group which, if in a metropolitan statistical area, has a median
24 household income of less than ninety percent, but greater than or equal to seventy percent of the
25 median household income for the metropolitan statistical area in which the census block group
26 is located, or which, if located within a United States census block group in a [nonmetropolitan]
27 **county that is not located in a metropolitan statistical** area, has a median household income
28 of less than ninety percent, but greater than or equal to seventy percent of the median household
29 income for [the nonmetropolitan areas in the state] **all counties not located within a**
30 **metropolitan statistical area;**
- 31 (7) "Flood plain", any land or area susceptible to being inundated by water from any
32 source or located in a one hundred-year flood plain area determined by Federal Emergency
33 Management Agency mapping as subject to flooding;
- 34 (8) "New residence", a residence constructed on land which if located within a distressed

35 community has either been vacant for at least two years or is or was occupied by a structure
36 which has been condemned by the local entity in which the structure is located or which, if
37 located outside of a distressed community but within a census block group as described in
38 subdivision (6) or (10) of this section, either replaces a residence forty years of age or older
39 demolished for purposes of constructing a replacement residence, or which is constructed on
40 vacant property which has been classified for not less than forty continuous years as residential
41 or utility, commercial, railroad or other real property pursuant to article X, section 4(b) of the
42 Missouri Constitution, as defined in section 137.016, RSMo; except that, no new residence shall
43 be constructed in a flood plain or on property used for agricultural purposes **except as otherwise**
44 **provided herein.** [In a distressed community,] The term "new residence" shall include
45 condominiums, owner-occupied units or other units intended to be owner-occupied in multiple
46 unit structures **or as separate adjacent single-family units;**

47 (9) "Project", new construction, rehabilitation or substantial rehabilitation of a residence
48 **or residences, whether comprised of one structure containing multiple single-family**
49 **residences or multiple individual structures** that [qualifies] **qualify** for a tax credit pursuant
50 to sections 135.475 to 135.487;

51 (10) "Qualifying residence", a single-family residence, forty years of age or older, located
52 in this state which is occupied or intended to be occupied long-term by the owner or offered for
53 sale at market rate for owner-occupancy and which is **either** located **within a United States**
54 **census block group which, if** in a metropolitan statistical area [or nonmetropolitan statistical
55 area within a United States census block group which has a median household income of less
56 than seventy percent of the median household income for the metropolitan statistical area or
57 nonmetropolitan area, respectively], **has a median household income of less than seventy**
58 **percent of the median household income for the metropolitan statistical area in which the**
59 **census block group is located, or which, if located within a United States census block**
60 **group that is located in a county that is not located in a metropolitan statistical area, has**
61 **a median household income of less than seventy percent of the median household income**
62 **for all counties not located within a metropolitan statistical area** or which is located within
63 a distressed community. A qualifying residence shall include a condominium or residence within
64 a multiple residential structure or a structure containing multiple single-family residences which
65 is located within a distressed community;

66 (11) "Substantial rehabilitation", rehabilitation the costs of which exceed fifty percent
67 of either the purchase price or the cost basis of the structure immediately prior to rehabilitation;
68 provided that, the structure is at least fifty years old notwithstanding any provision of sections
69 135.475 to 135.487 to the contrary;

70 (12) "Tax liability", the tax due pursuant to chapter 143, 147 or 148, RSMo, other than

71 taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

72 (13) "Taxpayer", any person, partnership, corporation, trust or limited liability company.

135.481. 1. (1) Any taxpayer who incurs eligible costs for a new residence located in
2 a distressed community or within a census block group as described in subdivision **(6) or (10)**
3 of section 135.478, or for a multiple unit condominium described in subdivision (2) of this
4 subsection, shall receive a tax credit equal to fifteen percent of such costs against his or her tax
5 liability. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year
6 period.

7 (2) For the purposes of this section, a "multiple unit condominium" is one that is
8 intended to be owner occupied, which is constructed on property subject to an industrial
9 development contract as defined in section 100.310, RSMo, ~~and~~**or** which lies within an area
10 with a city zoning classification of urban redevelopment district, **or for condominium use**,
11 established after January 1, 2000, and before December 31, ~~2001~~**2003**, and which is
12 constructed in connection with the qualified rehabilitation of a structure more than ninety years
13 old eligible for the historic structures rehabilitation tax credit described in sections 253.545 to
14 253.559, RSMo, ~~and~~**which** is under way by January 1, ~~2000~~**2002**, and completed by January
15 1, ~~2002~~**2003**.

16 2. ~~Any taxpayer who incurs eligible costs for a new residence located within a census~~
17 ~~block as described in subdivision (6) of section 135.478 shall receive a tax credit equal to fifteen~~
18 ~~percent of such costs against his or her tax liability. The tax credit shall not exceed twenty-five~~
19 ~~thousand dollars per new residence in any ten-year period.~~

20 3.] Any taxpayer who is not performing substantial rehabilitation and who incurs eligible
21 costs for rehabilitation of an eligible residence or a qualifying residence shall receive a tax credit
22 equal to twenty-five percent of such costs against his or her tax liability. The minimum eligible
23 costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum
24 eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax
25 credit shall not exceed twenty-five thousand dollars in any ten-year period.

26 [4.] **3.** Any taxpayer who incurs eligible costs for substantial rehabilitation of a
27 qualifying residence shall receive a tax credit equal to thirty-five percent of such costs against
28 his or her tax liability. The minimum eligible costs for substantial rehabilitation of a qualifying
29 residence shall be ten thousand dollars. The tax credit shall not exceed seventy thousand dollars
30 in any ten-year period.

31 [5.] **4.** A taxpayer shall be eligible to receive tax credits for new construction or
32 rehabilitation pursuant to only one subsection of this section.

33 [6.] **5.** No tax credit shall be issued pursuant to this section for any structure which is in
34 violation of any municipal or county property, maintenance or zoning code.

35 [7.] 6. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the
36 construction or rehabilitation of rental property.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section
2 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax
3 credits in any given year, eight million dollars shall be set aside for projects in areas described
4 in subdivision (6) of section 135.478 and eight million dollars for projects in areas described in
5 subdivision (10) of section 135.478. The maximum tax credit for a project consisting of
6 multiple-unit qualifying residences in a distressed community **and commenced before August**
7 **28, 2003**, shall not exceed three million dollars, **and the maximum tax credit for a project**
8 **commenced on or after August 28, 2003, shall not exceed one million five hundred**
9 **thousand dollars. If, by October first of any calendar year, the director has issued all eight**
10 **million dollars of tax credits allowed for projects in areas described in subdivision (6) of**
11 **section 135.478, but not for projects in areas described in subdivision (10) of section**
12 **135.478, or vice versa, the director shall reallocate seventy percent of any credits not**
13 **allocated to finally approved applications for issuance to taxpayers which:**

14 (1) Are engaged in projects in the area in which tax credits totaling eight million
15 dollars have already been issued for the same year; and

16 (2) Have already applied for, but have not yet been issued, tax credits pursuant to
17 section 135.487 for the same year.

18
19 **Reallocated credits shall be issued pursuant to section 135.487; except that, the maximum**
20 **reallocated tax credit for any project shall not exceed five hundred thousand dollars.**

21 2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in
22 which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years
23 and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit
24 issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed.
25 Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a
26 notarized endorsement shall be filed with the department specifying the name and address of the
27 new owner of the tax credit and the value of the credit.

28 3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed
29 in addition to any other state tax credits, with the exception of the historic structures
30 rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, RSMo, which
31 insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with
32 the tax credit allowed pursuant to subsection [4] 3 of section 135.481. In order for a taxpayer
33 eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant
34 to subsection [4] 3 of section 135.481, the taxpayer must comply with the requirements of

35 sections 253.545 to 253.559, RSMo, and in such cases, the amount of the tax credit pursuant to
36 subsection [4] 3 of section 135.481 shall be limited to the lesser of twenty percent of the
37 taxpayer's eligible costs or forty thousand dollars.

135.487. 1. To obtain any credit allowed pursuant to sections 135.475 to 135.487, a
2 taxpayer shall submit to the department, for preliminary approval, an application for tax credit.
3 The director shall, upon final approval of an application and presentation of acceptable proof of
4 substantial completion of construction, issue the taxpayer a certificate of tax credit. **In the case
5 of projects involving the new construction, rehabilitation or substantial rehabilitation of
6 more than one residence, one application for tax credit may be submitted to the
7 department for preliminary approval for the entire project, and the director shall issue the
8 taxpayer a certificate of tax credit upon final approval of an application and presentation
9 of acceptable proof of substantial completion of construction for each individual residence
10 rather than delaying issuance of a tax credit pursuant to sections 135.475 to 135.487 until
11 substantial completion of the entire project.** The director shall issue all credits allowed
12 pursuant to sections 135.475 to 135.487 in the order the applications are received. In the case
13 of a taxpayer other than an owner-occupant, the director shall not delay the issuance of a tax
14 credit pursuant to sections 135.475 to 135.487 until the sale of a residence at market rate for
15 owner-occupancy. A taxpayer, taxpayer other than an owner-occupant who receives a certificate
16 of tax credit pursuant to sections 135.475 to 135.487 shall, within thirty days of the date of the
17 sale of a residence, furnish to the director satisfactory proof that such residence was sold at
18 market rate for owner-occupancy. If the director reasonably determines that a residence was not
19 in good faith intended for long-term owner occupancy, the director make revoke any tax credits
20 issued and seek recovery of any tax credits issued pursuant to section 620.017, RSMo.

21 2. The department may cooperate with a municipality or a county in which a project is
22 located to help identify the location of the project, the type and eligibility of the project, the
23 estimated cost of the project and the completion date of the project.

24 3. The department may promulgate such rules or regulations or issue administrative
25 guidelines as are necessary to administer the provisions of sections 135.475 to 135.487. No rule
26 or portion of a rule promulgated pursuant to the authority of this section shall become effective
27 unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

28 4. The department shall conduct annually a comprehensive program evaluation
29 illustrating where the tax credits allowed pursuant to sections 135.475 to 135.487 are being
30 utilized, explaining the economic impact of such program and making recommendations on
31 appropriate program modifications to ensure the program's success.

135.530. For the purposes of sections 100.010, 100.710 and 100.850, RSMo, sections
2 135.110, 135.200, 135.258, 135.313, 135.403, 135.405, 135.503, 135.530 and 135.545, section

3 215.030, RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400 to 620.1460,
4 RSMo, "distressed community" means either a Missouri municipality within a metropolitan
5 statistical area which has a median household income of under seventy percent of the median
6 household income for the metropolitan statistical area, according to the last decennial census,
7 or a United States census block group or contiguous group of block groups within a metropolitan
8 statistical area which has a population of at least [two thousand] five hundred, and each block
9 group having a median household income of under [seventy] **seventy-five** percent of the median
10 household income for the metropolitan area in Missouri, according to the last decennial census.
11 In addition the definition shall include municipalities not in a metropolitan statistical area, with
12 a median household income of under seventy percent of the median household income for the
13 nonmetropolitan areas in Missouri according to the last decennial census or a census block group
14 or contiguous group of block groups which has a population of at least [two thousand] five
15 hundred each block group having a median household income of under [seventy]**seventy-five**
16 percent of the median household income for the nonmetropolitan areas of Missouri, according
17 to the last decennial census. **In metropolitan statistical areas, the definition shall include**
18 **areas that are designated as either a federal empowerment zone; or a federal enhanced**
19 **enterprise community; or a state enterprise zone that was originally designated before**
20 **January 1, 1986, but will not include expansions of such state enterprise zones done after**
21 **March 16, 1988.**