

HB 991 -- Distressed Areas Land Assemblage Tax Credit Act

Sponsor: Jetton

This bill establishes the Distressed Areas Land Assemblage Tax Credit Act which authorizes, beginning January 1, 2008, a tax credit equal to 50% of the costs and 100% of the interest incurred for the acquisition of an eligible parcel of land. Eligible parcels must be located within an eligible project area and must be acquired before the applicant begins condemnation proceedings. Parcels acquired by the applicant from a municipal authority are not included. Applicants can receive these credits for up to five years after the land's acquisition and can be used to offset the applicant's income tax, corporate franchise tax, or financial institutions tax. The tax credit may be carried forward for up to six years or sold.

No more than \$12 million tax credits can be issued annually, and no more than \$100 million can be issued for the life of the program. If applications for the tax credit exceed \$12 million in any given year, the Department of Economic Development can issue the entire amount to one applicant if there is only one eligible applicant or on a pro rata basis to all the eligible applicants. Any eligible amount which is not issued because of the \$12 million annual limit will be carried forward and reserved for the benefit of the applicant in future years.

Eligible project areas must meet the following requirements:

- (1) In cities or villages with fewer than 75,000 residents, the area must include at least 30 acres and 75 acres for all other cities and counties. Individual parcels which do not constitute eligible parcels may be included within the area's boundaries;
- (2) At least 80% of the area must be located within a Missouri qualified census tract area as designated by the United States Department of Housing and Urban Development;
- (3) In cities or villages with fewer than 75,000 residents, at least 20 acres of the area must consist of eligible parcels. For all other cities and counties, the requirement is 50 acres. In either case, the parcels are not required to be contiguous;
- (4) In cities or villages with fewer than 75,000 residents, the average number of parcels per acre must be at least two and one-half and four for all other cities; and
- (5) For all cities and counties, less than 5% of the acreage within the area's boundaries must consist of owner-occupied residences which the applicant has identified for acquisition.

For cities and villages with fewer than 50,000 residents, these requirements can be modified or waived if deemed necessary by the department.

An applicant is any person or company which has incurred acquisition costs for land which meets the requirements described for an eligible project area and who has been appointed or selected by a municipal authority as a redeveloper to redevelop an urban renewal area, a redevelopment area that includes all of an eligible project area, or whose redevelopment plan or redevelopment area has been approved or adopted under a Missouri economic incentive act.

The provisions of the bill will expire six years from the effective date.