

HB 1501 -- DISTRESSED AREAS LAND ASSEMBLAGE TAX CREDIT

SPONSOR: Zerr

This bill changes the laws regarding the Distressed Areas Land Assemblage Tax Credit. The bill revises the definition of "acquisition costs" to include engineering, site and redevelopment area planning of eligible parcels. Acquisition costs include maintenance costs for 12 years instead of five years.

The bill revises the definition of "eligible parcel" to exclude parcels acquired by the applicant from a municipal authority prior to August 28, 2007.

The bill revises the definition of an "eligible project area" to include a redevelopment area as defined under the Real Property Tax Increment Allocation Redevelopment Act and the area within one quarter mile of the former Missouri State Prison in Jefferson City. An applicant is required to own at least 50 acres of eligible parcels within an eligible project area, excluding any parcels acquired from a municipal authority.

The bill revises the definition of "interest costs" to exclude loans for acquisition costs including, interest, loan fees, and closing costs associated with the refinancing of the loans.

The bill allows an applicant to receive a tax credit for acquisition and interest costs of an eligible parcel for 12 years instead of five years. An applicant is allowed to file for the tax credit quarterly instead of annually.

The aggregate program cap authorized is \$48 million. The bill establishes a process for allocating the annual \$20 million in tax credits depending upon the number of eligible applicants.

The bill requires an applicant that seeks to continue to receive tax credits to make quarterly reports to the Department affirming that they are still eligible and the progress towards meeting deadlines for commencement of work and completion of the project.