

SS#2 SCS SB 590 -- HISTORIC PRESERVATION TAX CREDITS

SPONSOR: Hegeman (Rehder)

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Government Oversight by a vote of 9 to 2.

This bill reduces the cap on historic structure tax credits issued by the Missouri Department of Economic Development from \$140 million to \$90 million with an additional \$30 million authorized for tax credits in qualified census areas as specified in the bill. Additional criteria for awarding tax credits for historic preservation such as net fiscal benefit, size, municipal input, and proof of ability to finance the project are specified. A time limit for rehabilitation of properties is changed from two years to nine months. The department is authorized to charge a fee of 2.5% on tax credits issued and a fee of 4% on historic preservation tax credits to be spent as specified in the bill.

PROPONENTS: Supporters say that the bill modestly reduces historic tax credits and encourages the use of tax credits in areas with higher poverty rates and will improve the efficiency of historic rehabilitation projects.

Testifying for the bill was Senator Hegeman.

OPPONENTS: Those who oppose the bill say that the current system works very well and provides a great deal of economic benefit to the state. Historic tax credits must be evaluated using a different metric than the models used for economic development tax credits. Historic rehabilitation is very useful for towns with historic buildings such as St. Joseph.

Testifying against the bill were the Builders' Association of Missouri; St. Joseph Legislative Partnership; Missouri Realtors; Historic Revitalization for Missouri; William (Bill) Hart, Missouri Alliance for Historic Preservation; Sophie Roark, Rosin Preservation; and Robert Dempster.

OTHERS: Others testifying on the bill say that certain language on distressed community criteria should be changed to make it discretionary rather than mandatory.

Testifying on the bill was the City of St. Louis.