

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4457H.05R
 Bill No.: Re-Perfected HCS#2 for HB 1936
 Subject: Department of Economic Development
 Type: Original
 Date: May 1, 2024

Bill Summary: This proposal establishes tax credits to revitalize facilities of historic significance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund**	Up to (\$4,926,529)	Up to (\$5,622,256)	Up to (\$6,334,389)
Total Estimated Net Effect on General Revenue	Up to (\$4,926,529)	Up to (\$5,622,256)	Up to (\$6,334,389)

*Oversight reflects the costs of the annual CPI adjustment to the \$30 million cap, the current \$275,000 increased to \$475,000 and adjusted by CPI annually thereafter annually, and an additional DED 1 FTE (Senior Economic Development Specialist, at \$74,664 annually).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Economic Development Advancement Fund (0783) – DNR**	Up to \$169,322	Up to \$193,581	Up to \$221,453
Historic Preservation Revolving Fund (0430) – DNR**	(\$68,033)	(\$78,776)	(\$80,352)
Total Estimated Net Effect on <u>Other State Funds</u>	Up to \$101,289	Up to \$114,805	Up to \$141,101

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Natural Resource Fund (0142)**	(\$136,066)	(\$157,553)	(\$160,704)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$136,066)	(\$157,553)	(\$160,704)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund- DED	1 FTE	1 FTE	1 FTE
Economic Development Advancement Fund (0783) - DNR	Less than .3 FTE	Less than .3 FTE	Less than .3 FTE
Historic Preservation Revolving Fund (0430) - DNR	.9 FTE	.9 FTE	.9 FTE
Federal Fund – Natural Resources (0142) - DNR	1.8 FTE	1.8 FTE	1.8 FTE
Total Estimated Net Effect on FTE	Less than 4 FTE	Less than 4 FTE	Less than 4 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 253.544 – 253.559 Historic Preservation Tax Credit

Officials from the **Department of Revenue (DOR)** note:

This renames the Historic Preservation Tax Credit Program to the Missouri Historic, Rural Revitalization and Regulatory Streamlining Act. Renaming the tax credit program will not have a fiscal impact on the Department.

For informational purposes, DOR is providing information on the Historic Preservation tax credit. It was created in 1997 and currently has an annual cap of \$120 million with \$30 million of that cap reserved for specific types of projects and no limit on homeowner claims. Homeowners can receive up to \$275,000 per project.

Year	Authorized	Issued	Total Redeemed
FY 2023	\$149,870,361.07	\$68,752,030.02	\$97,637,448.50
FY 2022	\$127,701,891.25	\$119,310,869.31	\$106,311,497.14
FY 2021	\$108,876,422.99	\$113,974,281.81	\$118,211,637.42
FY 2020	\$134,740,008.39	\$108,648,413.83	\$88,487,136.31
FY 2019	\$149,232,242.59	\$95,790,454.95	\$54,566,148.49
FY 2018	\$151,542,287.87	\$37,275,810.30	\$56,483,070.60
FY 2017	\$154,152,769.59	\$85,136,858.50	\$49,742,926.72
FY 2016	\$90,749,410.21	\$59,590,350.87	\$57,496,338.08
FY 2015	\$97,136,286.75	\$53,206,337.42	\$47,638,885.69
FY 2014	\$146,635,428.72	\$41,791,636.18	\$59,829,670.95
FY 2013	\$93,923,651.90	\$71,495,993.81	\$78,483,650.67
FY 2012	\$98,591,345.91	\$105,272,650.95	\$133,937,746.83
TOTALS	\$1,503,152,107.24	\$960,245,687.95	\$948,826,157.40

This proposal leaves the \$90M portion of the cap in place but adds a Consumer Price Index adjustment for inflation to the \$30M reserved cap. Therefore, these credits will result in an additional loss to general revenue in future years. For fiscal note purposes when doing inflation adjustments, DOR uses a 2% inflation factor for each year. Therefore, DOR would expect the cap on this portion of the program to increase as follows:

fiscal year	Cap	Difference (additional loss to GR)
2024	\$30,000,000	\$0
2025	\$30,600,000	(\$600,000)
2026	\$31,212,000	(\$612,000)
2027	\$31,836,240	(\$624,240)
2028	\$32,472,965	(\$636,725)
2029	\$33,122,424	(\$649,459)
2030	\$33,784,872	(\$662,448)

This proposal also increases the amount a homeowner is eligible for on projects not subject to the cap. The amount will increase from \$275,000 to \$475,000 and this proposal will allow the \$475,000 to be inflated each year based on the consumer price index. DOR defers to the Department of Economic Development for an estimate of the fiscal impact from this provision.

DOR assumes these changes would become effective on August 28, 2024. Therefore, the first tax returns reporting the changes in the tax credit will be filed starting January 1, 2025.

This proposal allows historic structures of over 1 million square feet to qualify for the credit. They are subject to the \$90 million dollar cap and if their project is eligible for more than \$60 million dollars, they are to have their credit spread out over six years. DOR defers to DED on the number of buildings that would qualify under this provision and an estimate of the credits they may receive in the future.

This proposal makes additional changes to how the credit works. This credit is administered by the Department of Economic Development. DOR defers to them for impact from these changes.

These changes will require DOR to update the MO-TC tax credit form, website and computer programming. This is estimated to cost \$8,923.

Oversight notes the CPI annual adjustments will be in addition to the current \$30 million (reserved for special projects) tax credit cap. Therefore, Oversight will note the DOR’s CPI estimated adjustment amounts difference as a reduction to the general revenue in the fiscal note effective FY 2025.

Oversight notes that DOR assumes the proposal will have no administrative impact on their organization besides one time MO-TC tax credit form, website and computer programing update. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a cost to DOR in the fiscal note, effective FY 2025.

Officials from the **Office of Administration – Budget & Planning (B&P)** note:

Sections 253.544, 253.545, 253.550, 253.557, 253.559 modifies the Historic Preservation Tax Credit Act. Section 253.550.2(2) allows for an annual CPI adjustment of the \$30M cap on projects in qualified census tracts. Assuming a 2% rate of inflation, this cap will be increased by \$0.6M in FY 25, \$1.21M in FY 26, and \$1.84M in FY 27.

Additionally, section 253.550.5 provides an exception for qualifying projects started before January 1, 2024. However, such projects will not count against the caps created in this bill.

Oversight notes HCS #2 removed the word “not”, so that these projects will count toward the cap.

Additionally, **Oversight** notes that the CPI adjustment is scheduled to Sunset in six years.

B&P also stated to the extent this proposal encourages other economic activity, General and Total State Revenues may increase, but B&P cannot estimate the induced revenues.

B&P notes that the three-year average of authorizations is \$130,949,558.

Oversight notes the OA-B&P and DOR both noted the current law permits that any amount of Historic Preservation Tax Credit that exceeds a taxpayer=s state tax liability may be carried back to any three preceding tax years and carried forward for ten years.

Oversight notes that OA-B&P & DOR both assume the proposal will have a direct fiscal impact on the general revenues as a result of change in Section 253.550 2. (2) allowing for the \$30 million dollar cap to be adjusted annually; however, no such adjustments shall be made after June 30, 2030 . Therefore, Oversight will reflect the adjusted difference (using approximate 2% adjustment annually) in the fiscal note, effective FY 2025.

Oversight notes the \$30 million adjustment is cumulative, therefore, Oversight will note the B&P adjusted amount in the fiscal note.

Year	\$30 Million Base	Adjusted *cumulative* amount
Base year	30,000,000	\$ 0
2025	30,600,000	\$ 600,000
2026	31,212,000	\$ 1,212,000
2027	31,836,240	\$ 1,836,240

Officials from the **Department of Economic Development (DED)** note:

253.550 Subsection 1. (2) revises the Historic Preservation Tax Credit program by increasing the tax credit to 35% for applicants not participating in the Missouri Low Income Housing Tax

Credit Program and eligible single-family housing located in a qualifying area and adds non-profit entities to the definition of eligible recipients. It also allows for 10% of the total costs of rehabilitation to be incurred prior to application.

253.550 Subsection 2. (1) increases the threshold for projects not subject to the cap, from \$275,000 to \$475,000, and allows for this threshold to increase each year based on the consumer price index. DED estimates this revision will have an impact on TSR for the increase in small projects based on the average number of applications received each year at 21 projects to be \$4,200,000. (Calculates the difference between the new cap of \$475,000 and the current cap of \$275,000 = \$200,000 X 21 = **\$4,200,000.**)

253.550 Subsection 2. (1) and (2) allows an inflation adjustment for the projects not subject to the cap, the non-qualifying census track \$90 million cap, and the qualifying census track \$30 million cap.

253.550 Subsection 5. This new language keeps a single-resource certified historic structure of more than one million gross square feet with a Part I approval or on the National Register before January 1, 2024, in the program cap, however if the project tax credit exceeds sixty million dollars, the total amount of tax credits for such project shall be spread over a period of six years with one-sixth of such amount allocated each year.

There are currently two buildings that meet this criterion; Railway Exchange Building at 1.2M square feet and ATT Building at 1.4M square feet. Based on information DED has; Railway Exchange could be \$70-\$90 million in Missouri Historic Tax Credits. DED's best guess estimate for ATT is that it would be at least \$70-\$90 million since the projects will be similar, however, ATT is more square feet. The total amount of HTC issued could potentially be \$140-\$180 million spread over six fiscal years, per statute. (Estimated \$23-\$30 million per fiscal year for six fiscal years total.) DED does not know when the Department will receive application for either project. Based on other large projects, it could take 5-8 years from time of application to time of tax credit issuance and therefore redemption of the tax credits. If DED received an application in FY25, it may be FY30 before DED issues tax credits.

Oversight notes subsection 5 denotes that companies may obtain money if the project was identified prior January 1, 2024. Additionally, subsection 5 denotes that any such a project costing more than \$60 million must be paid out over 6 years, in 1/6 of the increments, of the overall company costs for such a project. (i.e. \$180 million = \$30 million annually)

Therefore, Oversight will reflect zero impact for this subsection because any company, with a project over the 1 million square foot, will be able to redeem the tax credits within the already established cap.

DED also notes Section 253.559 Subsection 1, instructs the Department to establish an annual application cycle.

Section 253.559 Subsection 2 (4) allows for properties with a federal Part 1 application or draft national register of historic places nomination submission to the state historic preservation office to be eligible for application to the program.

Section 253.559 Subsection 3 (2) adjusts evaluation criteria for projects equal to or more than \$475,000, and adds vacant schools or theaters to the projects that are not subject to evaluation criteria. While this could add additional projects not subject to the cap, it is difficult to estimate the cost.

Section 253.559 Subsection 4 (2) creates standards processing time requirements for processing projects, including determination of project's alignment with rehabilitations standards within 60 days of filing of application the legislation includes a provision that would require DED to issue 75% of the credit within 75 days. Includes requirements for the approval and issuance of tax credits for phased projects. Modifies the commencement of rehabilitation limitations to 10% within 18 months of the date of approval. No impact to TSR.

DED needs 1.0 FTE to oversee the additional requirements this legislation would add to the Historic Preservation Tax Credit.

Oversight notes the proposal, Section 253.545 (15), allows for vacant school and theater to be added to the tax credits that are significant in the history, architecture, archaeology, or culture of this state or its communities, as designated by the governing body of a county.

Oversight notes Section 253.550.2 (1) allows for:

- a) An adjustment of \$275,000 cap to \$475,000 (\$200,000 increase per approval) and
- b) An annual adjustment of the \$475,000 cap by Consumer Price Index for All Urban Consumers (until the Sunset in 6 years).

Therefore, Oversight will reflect costs of an additional adjustment by CPI in the fiscal note effective FY 2025.

Oversight provides overview of the approved expenditures (submitted by DED) in last three years below:

	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 ACTUAL	3 year Average
Certificates Issued (#)	191	123	99	138
Projects/Participants (#)	145	131	68	115
Amount Authorized	\$108,876,423	\$127,744,892	\$149,870,361	\$ 128,830,559
Amount Issued	\$113,974,282	\$119,310,869	\$68,752,030	\$ 100,679,060
Amount Redeemed	\$118,211,637	\$106,311,497	\$97,637,449	\$ 107,386,861

Additionally, Oversight notes officials from the DED assume one (1) FTE Senior Economic Development Specialist is needed as a result of the administrative changes made to the Historic Preservation Tax Credit. For purposes of this fiscal note, **Oversight** will reflect DED=s 1 FTE (Economic Development Specialist at \$74,664 annually) to the General Revenue Fund effective FY 2025.

Oversight notes the proposal allows for smaller projects, as per Section 253.559 and subsection 6, to be adjusted by the percentage increase in the CPI.

Oversight notes the DED assumes this section of the proposal will have an additional impact to the general revenue totaling \$4,200,000 (about 21 projects, receiving \$200,000 more per project) begging in FY 2024.

Oversight notes that projects below \$475,000 are not subject to the overall \$30 million cap.

Oversight notes the proposal requires that the DED establish an application cycle that allows for year-around submission and year around receipt and review of such an application.

Officials from the **Department of Natural Resources (DNR)** state the proposed legislation includes the state historic preservation office allocation pursuant to 143.183 RSMo. DNR uses this appropriation to fund its matching share required to be eligible for federal grant funds from the Historic Preservation Fund (\$386,869 in 2021). DNR uses the HPF grant to fund the majority of staffing and operational costs of the SHPO, including activity of the Missouri Advisory Council for Historic Preservation. A condition of the grant, and for future eligibility, SHPO must pass through a minimum 10% of HPF funds to certified local governments. No other functions of the Department are funded through this allocation. There is substantially net neutral effect of the transfer so long as the appropriation to SHPO is the amount described in 143.183 and so long as SHPO continues to be managed consistent with HPF grant requirements.

The terms and conditions of the HPF grant prohibit use of its funds for evaluation, consultation and reporting required by the Native American Graves Protection and Repatriation Act (25 USC 3001)(NAGPRA). Missouri law requires SHPO to assume jurisdiction to unmarked human burials pursuant to 194.400 et seq. (being transferred by 253.408.2(10)). Pursuant to definitions in NAGPRA, all entities accepting federal funds are required to comply. Because SHPO (and DED) accepts federal funds, this will be an ongoing responsibility. To comply, DNR has used a strategy of shared resources with other Division of State Parks archeologist staffing and supplies, included contracting for osteological services.

253.559 4. (2) If the state historic preservation office approves the application for tax credits within the sixty-day determination period established in subdivision (1) of this subsection, such office shall forward the application with any review comments to the National Park Service and shall forward any such review comments to the applicant. If such office fails to approve the application within the sixty-day determination period, such office shall forward the application

without any comments to the National Park Service and shall have no opportunity to submit any comments on such application.

This section potentially puts SHPO in violation of the terms of their Historic Preservation Fund Grant with the National Park Service. They do not have the latitude to forward applications without comment to the National Park Service without their explicit approval. This could put state historic preservation office in jeopardy of receiving their HPF grant

Additional SHPO staff (3FTE) will be necessary to maintain a mandated review period of 60 days. The SHPO currently is unable to review the current workload of tax credit applications within a 90 day period. As the historic tax credit program continues to see an increase in applications and more rehabilitation projects must be evaluated for their compliance with the SOI Standards, the program will see an increase in rehabilitation reviews. Presently, the Architectural Preservation Services (APS) Unit is comprised of four FTEs and is utilizing the services of one TSL, and several contracted reviewers. The unit remains focused on tax credit applications from rehabilitation projects although there are other expectations of this unit and the staff struggle to fulfill those other duties (i.e., monitoring preservation easements, developing scope of work for historic properties, providing technical advice for non-HTC projects, etc.) due to the tax credit workload.

Oversight notes currently Section 620.1900.2 (2) allows the DED to collect 4% in fees from the tax credits. This proposal allows for adjustments by CPI, thus increases the amount in potential fee collections into the Economic Development Advanced Fund. Therefore, Oversight will reflect gain in revenue to the Economic Development Advance Fund in the fiscal note.

For informational purposes, Oversight shows the impact as follow:

Increase / FY	2025	2026	2027
Increase in \$30 million	\$600,000	\$1,212,000	\$1,836,240
Increase in \$475,000	\$4,200,000	\$4,284,000	\$4,369,680
Total	\$4,800,000	\$5,496,000	\$6,205,920
4% fee	\$192,000	\$219,840	\$248,237*

*rounded to near dollar

Oversight notes the officials from DNR assume the proposal will have a fiscal impact due to the less than the 90 days requirement in application process, as required in the Section 253.559. 9. The DNR anticipates the need for three additional FTE (Architectural Historian at \$44,005 annually).

Oversight notes the DNR pays the SHPO FTE's from three different funds by certain percentage from each fund. The Economic Development Advancement Fund – state money at 10%, Historic Preservation Revolving Fund – state money at 30%, and Natural Resources Fund – federal money at 60%.

For information purposes, **Oversight** provide the following activity in the Economic Development Advancement Fund (0783) over the past three fiscal years:

Fiscal Year	Fee's Paid (rounded to nearest dollar)
FY 2023	\$5,922,240
FY 2022	\$5,457,013
FY 2021	\$5,801,164

(Oversight notes the above fees include the 2.5% and 4% fee collected throughout the given period, and officials from the DED note the balances (fee collected from tax credits) are not broken out by individual programs)

Overall Bill:

Officials from the **Office of the State Treasurer (STO)** and the **Oversight Division** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for both respective organizations.

Officials from the **Department of Commerce and Insurance (DCI)** assume Section 553.550 A potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) in FY2024, FY2026 and FY2027 as a result of the modifications to the historic preservation tax credit. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the modified tax credit.

Oversight notes, for purposes of this fiscal note, the fiscal note does not reflect the possibility that some of the tax credits could be utilized against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization.

In response to the previous version of the bill, officials from the **Lincoln County Assessors** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for political subdivisions.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Reduction in Revenue – Section 253.550 2 (2) CPI adjustment of \$30 M in tax credit award for approved projects (p.5)</u>	Up to (\$600,000)	Up to (\$1,212,000)	Up to (\$1,836,240)
<u>Reduction in Revenue – Section 253.559 6. CPI adjustment for projects below \$300,000 (p.5-9)</u>	(\$4,200,000)	(\$4,284,000)	(\$4,369,680)
<u>Costs – DOR Section 253.559 (p.4)</u>	(\$8,923)	\$0	\$0
<u>Costs – DED Section 253.559.7</u>			
Personnel Service	(\$62,220)	(\$76,157)	(\$77,680)
Fringe Benefits	(\$36,265)	(\$44,076)	(\$44,646)
Expense & Equipment	(\$19,121)	(\$6,022)	(\$6,143)
<u>Total Costs – DED</u>	(\$117,606)	(\$126,256)	(\$128,469)
FTE Change (p.7)	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	Up to (\$4,926,529)	Up to (\$5,622,256)	Up to (\$6,334,389)

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
ECONOMIC DEVELOPMENT ADVANCEMENT FUND (0783)			
<u>Costs – DNR - Section 253.559</u>			
Personnel Service	(\$13,000)	(\$15,912)	(\$16,230)
Fringe Benefits	(\$7,829)	(\$9,582)	(\$9,774)
Expense & Equipment	(\$1,849)	(\$765)	(\$780)
<u>Total Costs – DNR</u>	<u>(\$22,678)</u>	<u>(\$26,259)</u>	<u>(\$26,784)</u>
FTE Change (p.8-9)	Less than .3 FTE	Less than .3 FTE	Less than .3 FTE
<u>Revenue Gain 4% fees collected by DED (p.9)</u>	Up to \$192,000	Up to \$219,840	Up to \$248,237
ESTIMATED NET EFFECT ON ECONOMIC DEVELOPMENT ADVANCEMENT FUND	<u>Up to \$169,322</u>	<u>Up to \$193,581</u>	<u>Up to \$221,453</u>
HISTORIC PRESERVATION REVOLVING FUND (0430)			
<u>Costs – DNR - Section 253.559</u>			
Personnel Service	(\$39,000)	(\$47,736)	(\$48,691)
Fringe Benefits	(\$23,486)	(\$28,747)	(\$29,322)
Expense & Equipment	(\$5,547)	(\$2,294)	(\$2,340)
<u>Total Costs – DNR (p.8-9)</u>	<u>(\$68,033)</u>	<u>(\$78,776)</u>	<u>(\$80,352)</u>
FTE Change	.9 FTE	.9 FTE	.9 FTE
ESTIMATED NET EFFECT ON HISTORIC PRESERVATION REVOLVING FUND	<u>(\$68,033)</u>	<u>(\$78,776)</u>	<u>(\$80,352)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
NATURAL RESOURCES FEDERAL FUND (0140)			
<u>Costs – DNR - Section 253.559</u>			
Personnel Service	(\$78,000)	(\$95,472)	(\$97,381)
Fringe Benefits	(\$46,972)	(\$57,493)	(\$58,643)
Expense & Equipment	(\$11,094)	(4,588)	(\$4,679)
<u>Total Costs – DNR</u>	<u>(\$136,066)</u>	<u>(\$157,553)</u>	<u>(\$160,704)</u>
FTE Change (p.8-9)	1.8 FTE	1.8 FTE	1.8 FTE
ESTIMATED NET EFFECT ON NATURAL RESOURCES FEDERAL FUND	<u>(\$136,066)</u>	<u>(\$157,553)</u>	<u>(\$160,704)</u>
Estimated Net FTE General Revenue	1 FTE	1 FTE	1 FTE
Estimated Net FTE Other State Funds	1.2 FTE	1.2 FTE	1.2 FTE
Estimated Net FTE Federal Funds	1.8 FTE	1.8 FTE	1.8 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct positive fiscal impact to small businesses that qualify under this program would be expected as a result of this proposal.

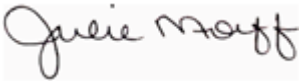
FISCAL DESCRIPTION

This proposal modifies provisions related to tax credits to revitalize facilities of historic significance.

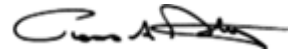
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration – Budget & Planning
Department of Revenue
Department of Economic Development
Joint Committee on Administrative Rules
Office of the Secretary of State
Department of Commerce and Insurance
Department of Natural Resources
City of Kansas City
Lincoln County Assessors



Julie Morff
Director
May 1, 2024



Ross Strobe
Assistant Director
May 1, 2024