

SECOND REGULAR SESSION

# SENATE BILL NO. 1052

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS GOODE AND BLAND.

Read 1st time February 28, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4232S.021

## AN ACT

To amend chapter 620, RSMo, by adding thereto seven new sections relating to community development.

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

Section A. Chapter 620, RSMo, is amended by adding thereto seven new sections, to be known as sections 620.1301, 620.1304, 620.1307, 620.1310, 620.1313, 620.1316 and 620.1320, to read as follows:

**620.1301. For the purposes of sections 620.1301 to 620.1320, the following terms shall mean:**

(1) "Closing costs", costs incurred in connection with purchasing an eligible residence including a credit report fee, appraisal fee, home inspection fee, survey fee, title examination, loan origination fee, title insurance fee, home ownership counseling fee, application fee, attorneys' fees, document preparation fee, recording fees, state and local transfer tax and state recordation tax;

(2) "Department", the Missouri department of economic development;

(3) "Director", the director of the department of economic development;

(4) "Eligible employee", an individual who:

(a) Is employed or has a bonafide offer of employment by an employer approved pursuant to the provisions of sections 620.1301 to 620.1320, including employees of a local jurisdiction;

(b) Is eighteen years of age or older;

(c) Has a contract or will enter into a contract contingent on receipt of the LNYW grant to purchase an eligible residence located in the employer's applicable LNYW area;

- (d) Shall hold title to an eligible residence;**
- (e) Meets any additional eligibility requirements imposed by the local jurisdiction or the participating employer and approved by the department; and**
- (f) Currently resides in an area that is not eligible to be a LNYW area;**
- (5) "Eligible residence", a dwelling that is:**
- (a) Located in any LNYW area within the same county as the employer and within ten miles of the employer; and**
- (b) A single unit property, including a townhouse or condominium, or a two to four unit property and one of the units serves as the primary residence of an eligible employee;**
- (6) "Household", the individual or individuals who will occupy the:**
- (a) Eligible residence, in the case of a single unit property; or**
- (b) Unit in eligible residence occupied by the eligible employee, in the case of a two to four unit property;**
- (7) "Live Near Your Work area (LNYW)", an area geographically defined by the local jurisdiction which is designated as a "Live Near Your Work" area, with the concurrence of the director of the department, based on the following trends or characteristics:**
- (a) A pattern of lower or declining median household income as compared to the median household income of the county in which the LNYW area is located;**
- (b) A pattern of disinvestments in a substantial portion of the designated LNYW area;**
- (c) A pattern of losing private medical services or facilities;**
- (d) A pattern of relative decline in assessed values of residential properties;**
- (e) Unemployment rates one and one-half times higher than the county average;**
- (f) An increase in the age and number of abandoned structures or vacant lots;**
- (g) An increase in the age and number of substandard structures; and**
- (h) A reasonable likelihood that the area will experience disinvestments but for the LNYW program and other programs designed to attract homeowners with income levels that will facilitate a reversal of the conditions listed in this section;**
- (8) "LNYW grant", the total funds granted by the department, the local jurisdiction and the employer to the eligible employee pursuant to the terms set forth in sections 620.1301 to 620.1320;**
- (9) "Local development agency", any board, commission, agency, department or authority of any municipality or county designated by the governing body for the purpose of carrying out community reinvestment programs;**
- (10) "Local jurisdiction", any city, town, village or county of the state;**

**(11) "Non-profit organization", a corporation as defined in chapter 355, RSMo;**

**(12) "Program", the live near your work program;**

**(13) "Program grant", the funds granted by the department for the local jurisdiction in the form of a reimbursement to be used for the department's contribution to LNYW work grants.**

**620.1304. 1. A local jurisdiction may apply to the director of the department of economic development to receive designation of a live near your work area and an agreement to receive a certain number of program grants.**

**2. The director may set periodic deadlines for applications for designation of LNYW areas from local jurisdictions and prescribe required information and documentation.**

**3. The director shall designate department staff to review all applications from local jurisdictions and make recommendations to the director regarding the award of LNYW designations and grants to local jurisdictions based on:**

**(1) The capacity of the local jurisdiction to operate a LNYW program;**

**(2) The financial commitment of the local jurisdiction and the employers; and**

**(3) The anticipated number of participants.**

**4. The director shall by written determination approve or disapprove all LNYW designations and program grants.**

**5. The department may set program guidelines and conditions in consultation with interested local governments, consistent with the provisions of sections 620.1301 to 620.1320.**

**6. Each local jurisdiction approved for the LNYW area designation and program grants pursuant to this section shall enter into an agreement with the department which provides that the local jurisdiction shall:**

**(1) Agree to operate the program directly or through a subcontractor or joint agreement in a manner consistent with department guidelines and conditions of the program agreements;**

**(2) Provide a minimum of one thousand dollars for each LNYW grant and demonstrate to the satisfaction of the department that funds have been committed for that purpose;**

**(3) Enter into a grant agreement with the eligible employee which includes the terms and conditions required of the local jurisdiction and the eligible employee;**

**(4) Agree to provide documentation and cooperate with the department in conducting evaluations and analyses of the program; and**

**(5) Honor any other terms and conditions required by the department in order to reasonably comply with sections 620.1301 to 620.1320.**

**7. (1) The local jurisdiction may impose additional eligibility requirements for LNYW grants, including a minimum period of residency in the home purchased and home ownership counseling which:**

- (a) Do not violate any applicable law;**
- (b) Have not been disallowed by the department; and**
- (c) Are imposed in a non-discriminatory manner;**

**(2) An eligible employee must relocate from a census tract with a higher average per capita income than the census tract in which the LNYW area is located.**

**8. A local jurisdiction may authorize another entity to operate the LNYW program in that jurisdiction if the entity is a nonprofit organization, local development corporation, local development agency, housing authority or another local jurisdiction by a resolution of the governing body containing the LNYW area. If a local jurisdiction authorizes another entity to operate the LNYW project in that jurisdiction, either the local jurisdiction or the entity may provide the matching funds required of the local jurisdiction.**

**9. The LNYW grant may be structured as a forgivable loan conditioned by employee compliance with any terms or agreements set forth pursuant to sections 620.1301 to 620.1320. Failure of an employee to comply with such terms or agreements may result in required total or partial repayment of the LNYW grant.**

**620.1307. 1. To be eligible to participate in the LNYW project operated by the local jurisdiction, an employer shall:**

**(1) Complete a memorandum of understanding with the local jurisdiction or entity authorized by the local jurisdiction outlining the conditions under which the employer shall participate in the program, including the designation of neighborhoods in the LNYW area in which the employer will provide contributions;**

**(2) Except as provided in subdivision (2) of subsection 6 of this section, provide a minimum contribution of one thousand dollars for each LNYW grant made to each participating employee up to a predetermined aggregate limit; and**

**(3) Coordinate participation in the program with the local jurisdiction.**

**2. An employer may set eligibility requirements that are reasonably related to the employer-employee relationship for employees to receive a LNYW grant if the eligibility requirements:**

- (1) Do not violate any applicable law;**
- (2) Are approved by the local jurisdiction; and**
- (3) Are imposed on all employees.**

**3. An employer may offer additional benefits to its employees in connection with the purchase of an eligible residence.**

**4. If an employer has more than one location, there may be a LNYW area for each location, each of which shall comply with the requirements of sections 620.1301 to 620.1320 for designation and approval of a LNYW area. The LNYW areas for an employer pursuant to this section may overlap. In addition to any other requirements set forth in sections 620.1301 to 620.1320, an employee and a residence shall only be eligible if the residence is located in the LNYW area of the employer for the location where the employee works.**

**5. A local jurisdiction may serve as an employer and provide LNYW grants of up to two thousand dollars along with a grant of one thousand dollars from the department for employees of the local jurisdiction that meet the criteria established in sections 620.1301 to 620.1320.**

**6. The following provisions apply to employer groups including, but not limited to chambers of commerce, special taxing districts or non-profit corporations predominately supported with private funds or groups of employers which desire to create a pool of funds for the LNYW grants:**

**(1) Two or more employers located in or near the same local jurisdiction may join together to combine resources from which LNYW grants may be made if:**

**(a) The group of employers agrees to contribute a combined amount of at least one thousand dollars to each LNYW grant;**

**(b) LNYW grants are made by the group of employers only to employees in the group; and**

**(c) The application and LNYW area are approved by the local jurisdiction and the department;**

**(2) A group of employers approved pursuant to this section may impose eligibility requirements consistent with subsection 2 of this section and may offer additional benefits consistent with subsection 3 of this section in connection with any LNYW grants made by the group of employers.**

**7. An eligible employer or group of employers is not required to be located in a LNYW area but must be located within ten miles of the LNYW area.**

**620.1310. 1. An eligible employee shall comply with the program requirements and terms for receiving a LNYW grant and respond to periodic surveys for program evaluation purposes including a survey to be completed at settlement.**

**2. Only one person per household may receive a LNYW grant.**

**620.1313. 1. Program grants from the department to the local jurisdiction shall be used solely to fund one thousand dollars of the LNYW grant to an eligible employee.**

**2. Program grants from the department to the local jurisdiction may not be used to:**

**(1) Fund a LNYW grant if the eligible employee, the employer and the local jurisdiction do not make the minimum contribution set forth in this chapter; or**

**(2) Fund any expenses of operating the LNYW program.**

**3. A LNYW grant may only be used for the downpayment and closing costs incurred in connection with purchasing an eligible residence.**

**4. A LNYW grant may not be used to pay costs incurred in connection with a transfer of property where the grantor remains a title holder.**

**620.1316. 1. At the closing on an eligible residence, the local jurisdiction shall provide funds for the local jurisdiction's contribution and the department's contribution to the LNYW grant.**

**2. Before agreeing to fund a LNYW grant to an employee, the local jurisdiction shall confirm:**

**(1) That the property to be purchased is an eligible residence;**

**(2) The eligibility of the employer and the employee;**

**(3) That the employee has already made or at closing shall make a contribution of at least one thousand dollars toward the purchase of the home; and**

**(4) That the employer has made available at least one thousand dollars toward the LNYW grant.**

**3. After the closing, the local jurisdiction shall submit to the department a request for reimbursement of the department's contribution to the LNYW grant in the form required by the department. The department may require evidence of the closing, occupancy and the fulfillment of all departmental requirements before reimbursing the local jurisdiction for funds advanced for the department's share of the LNYW grant. If any of the requirements imposed pursuant to sections 620.1301 to 620.1320 have not been met, the department may deny a request for reimbursement.**

**4. The following reporting requirements are mandated:**

**(1) The local jurisdiction shall make a report to the department at times required by the department; and**

**(2) The report shall be in the form and contain information required by the department.**

**5. At any time after six months from the date of any agreement with a local jurisdiction, the department may notify a local jurisdiction that it has elected to reallocate any unused program grant funds, originally allocated to a local jurisdiction, to another local jurisdiction if the unused funds are unlikely to be used within six months of the notification.**

**620.1320. 1. The department may establish operational handbooks or manuals governing matters relating to the program including descriptive statements of program**

**procedures and policies, in consultation with interested local jurisdictions and employers.**

**2. The director may delegate to department staff or agencies the authority to execute program documents.**

**3. A local jurisdiction, employer, or person dissatisfied with any decision of the department may request reconsideration by contacting the director in a manner prescribed by the department. An initial decision or reconsideration of a decision is not a contested case.**

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