

FIRST REGULAR SESSION

SENATE BILL NO. 51

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATORS CHILDERS AND RUSSELL.

Pre-filed December 1, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0318S.011

AN ACT

To amend chapters 135 and 620, RSMo, by adding thereto three new sections relating to a rural housing development program, with an effective date for a certain section.

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

Section A. Chapters 135 and 620, RSMo, are amended by adding thereto three new sections, to be known as sections 135.813, 620.1575 and 620.1578, to read as follows:

135.813. 1. Any taxpayer who has provided funds to the department of economic development for the support of a rural housing development revolving loan pilot program, as provided in section 620.1575, RSMo, shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer has contributed for the program.

2. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. Any amount of credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed four years. The cumulative amount of tax credits which may be claimed by all the taxpayers in any one fiscal year shall not exceed four hundred twenty thousand dollars.

3. The taxpayer shall apply for the credit to the department of economic development. The department may require the taxpayer to provide information that is reasonably necessary to determine the applicant's eligibility for a tax credit.

4. The department of economic development shall certify to the department of revenue each applicant which qualifies for the tax credit.

5. This section shall become effective January 1, 2003, and shall apply to all tax

years after December 31, 2002.

620.1575. 1. The department of economic development shall establish six rural housing development revolving loan pilot programs as provided in this section.

2. Three pilot programs shall provide loans for the construction of single family houses within incorporated communities with a population of five thousand or less in a county of the third classification and three pilot programs shall be used for the same purpose within incorporated communities with a population of fifty thousand or more.

3. The loans shall be at no interest and shall be made to nonprofit corporations. The amount of each loan shall be no more than seventy thousand dollars.

4. Any nonprofit corporation desiring to construct single family housing pursuant to this section shall apply to the department for such funds. The application shall include information pertaining to, but not limited to, the following:

(1) The area in which the housing is intended to be constructed;

(2) A statement about the need for single family housing in such area;

(3) The time period required for constructing each home and making it available on the market;

(4) A list of the officers, with addresses and phone numbers, of the corporation;

(5) The assets and experience of the corporation and the individual or agency who will advise such corporation in the construction of such housing; and

(6) A statement as to availability and cost of sewage and water lines for such housing.

5. The department shall award loans to qualified nonprofit organizations according to the statement of need and compliance with this section.

6. The department shall set criteria that could result in the expiration of the loan, may require reasonable reports on the progress of housing construction and may inspect the construction sites and records of the nonprofit corporation.

7. A nonprofit corporation receiving a loan shall place the funds in an account to pay for the costs of construction, buying, selling, and preparing a property. Any interest earned on the account shall be kept in the account and used for the same purposes.

8. Upon the sale of a home, the proceeds shall be placed in the fund and used to finance the construction of another home or to repay the loan. Any deficit on a loan shall be repaid by the nonprofit corporation. Any surplus remaining after repayment of a loan shall remain in the fund to be used for the public benefit in construction or rehabilitation of housing.

9. Separate records shall be kept for the costs of each home built by the nonprofit corporation.

10. The construction of homes by nonprofit corporations pursuant to this section shall be done on site at a location where water and sewage services are available. Cities and other political subdivisions may waive the costs of connecting utilities or providing building permits or other services.

11. All homes shall be constructed in accordance with the rural development building standards of the United States Department of Agriculture or in urban areas shall meet the codes in effect in those communities, but additional consideration may be given to those entities constructing homes which incorporate basic elements of universal design for elderly and disabled occupants.

12. The nonprofit corporation may contract with other entities for the buying and selling of property and for construction of housing pursuant to this section.

13. Homes constructed by nonprofit corporations pursuant to this section shall be sold at cost plus a two thousand five hundred dollar administration fee. The administration fee may be used to pay an individual or agency with previous experience in housing construction for supervising the purchase of land and construction of each house. Any such agent of the corporation shall ensure that all legal and insurance requirements are met. Any part of the administration fee remaining after paying such costs shall be placed into the fund.

14. The buyer of the home may use any available financing mechanism to make the purchase, including any other state or federal assistance programs.

15. The nonprofit corporation shall establish priorities for selling homes to low income or moderate income persons and families, as defined in section 215.010, RSMo, insofar as such buyers have financing arrangements completed previous to occupancy. The nonprofit corporation shall contact any local housing authority or community housing development organization to ascertain qualified buyers prior to the completion of construction.

16. The nonprofit corporation shall ensure that the sales contract shall contain a clause to prevent speculative purchases. The clause shall require an interest-free second mortgage to be obtained for the difference between the sale price and the appraised price, if any. The interest-free second mortgage shall be payable to the nonprofit organization and shall become due and payable to such organization if the buyer of the home sells the property prior to five years of ownership. The interest-free second mortgage shall be null and void after a period of five years following the closing date of the home purchase if the following requirements are met:

(1) The home has been the primary home of the purchaser for a period of five years after the closing date; and

(2) The property has not been used as rental property for such five-year period.

620.1578. 1. The "Rural Housing Development Revolving Loan Pilot Program Fund" is hereby established within the department of economic development. The fund shall consist of all moneys provided by taxpayers to support the rural housing development revolving loan pilot program pursuant to section 135.813, RSMo.

2. The fund shall be administered by the department of economic development. Upon appropriation, money in the fund shall be used solely for the purposes contained in section 620.1575. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Interest and moneys earned on such investments shall be credited to the fund.

3. Notwithstanding the provisions of section 33.080, RSMo, moneys in the fund shall not be transferred to the general revenue fund.

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