

FIRST REGULAR SESSION

SENATE BILL NO. 139

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR GOODE.

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

TERRY L. SPIELER, Secretary.

0185S.021

AN ACT

To amend chapter 620, RSMo, by adding thereto eight 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 eight new sections, to be known as sections 620.1301, 620.1304, 620.1307, 620.1310, 620.1313, 620.1316, 620.1318 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 fee, 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) "Designated area", a geographical area defined by a local jurisdiction and certified by the director as a "Live Near Your Work" area, based upon the following characteristics:

(a) A pattern of lower or declining median household income as compared to the statewide median household income;

(b) A pattern of disinvestment in a substantial portion of the designated area;

(c) A pattern of losing medical services or facilities;

(d) A pattern of relative decline in assessed values of residential properties;

(e) A pattern of unemployment rates higher than the statewide average;

(f) An increase in the number of abandoned structures or vacant lots;
(g) An increase in the number of substandard structures; and
(h) A reasonable likelihood that the area will experience disinvestment without viable economic development programs;

(4) "Development agency", any local or regional board, commission, agency, department or authority of or affiliated with any municipality or county designated by the governing body for the purpose of carrying out community economic development programs;

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

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

(a) Is employed by or has a bonafide offer of employment from a participating employer;

(b) Is eighteen years of age or older and is emancipated;

(c) Has contracted to purchase and hold fee simple title to an eligible residence;

(d) Possesses or has secured adequate funding for the purchase of an eligible residence; and

(e) Meets any additional eligibility requirements imposed by the local jurisdiction or the participating employer and approved by the department;

(7) "Eligible residence", a residential dwelling that is:

(a) Located in any designated area; and

(b) A single unit property, including a townhouse or condominium, or a two to four unit property in which at least one of the units serves as the primary residence of an eligible employee;

(8) "Household", the individual or individuals who will occupy an eligible residence;

(9) "Local jurisdiction", any city, town, village or county of the state;

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

(11) "Participating employer":

(a) Any employer or group of employers who operate and maintain a location within ten miles of a designated area and who comply with the requirements of the program pursuant to section 620.1310;

(b) A local jurisdiction may serve as a participating employer;

(c) A group of employers may include, but is not limited to, chambers of commerce, special taxing districts, non-profit organizations or multiple private employers which desire to create a common pool of funds for program grants to benefit their employees;

(12) "Program", the live near your work program set forth in sections 620.1301 to

620.1320;

(13) "Program grant", the total funds granted by the department, the local jurisdiction and the participating employer to the eligible employee pursuant to the terms set forth in sections 620.1301 to 620.1320, to be not less than three thousand dollars in the aggregate.

620.1304. 1. The department shall:

(1) Issue rules and regulations:

(a) Governing application for and certification of designated areas;

(b) Governing application for and awarding of program grants;

(c) Establishing requirements and procedures for accounting and expenditure of program funds by grant recipients; and

(d) Establishing reporting requirements and procedures for participating local jurisdictions and participating employers;

(2) Produce and distribute a written annual report to the governor, the president pro tem of the senate and the speaker of the house of representatives identifying:

(a) All receipts, disbursements and expenditures of the program during the previous calendar year;

(b) All grant funds and other assistance and support provided during the previous calendar year to the program and program participants;

(c) The efficacy of the program in terms of economic and non-economic impact on the designated area; and

(d) The department's recommendation for continuation, cessation or modification of the program.

2. The report required by this section shall be delivered no later than July 1 of each year.

3. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2001, shall be invalid and void.

620.1307. 1. A local jurisdiction may apply to the department to receive certification of one or more designated areas or to receive award of funds for one or more program grants within each designated area.

2. The director shall, by written determination, approve or reject each

certification or grant application within a reasonable time. The director's determination is discretionary and shall be based upon consideration of all relevant factors, including, but not limited to:

- (1) The existing and historic characteristics of the geographic area which is the subject of the application for certification as a designated area;**
- (2) The expected aggregate impact of the program on the subject area;**
- (3) The financial commitment of the local jurisdiction and the participating employers;**
- (4) The anticipated number of eligible and participating employees; and**
- (5) The funds available to the department for the award of program grants.**

3. Each local jurisdiction which receives certification of a designated area pursuant to this section shall enter into an agreement with the department which provides that the local jurisdiction shall:

- (1) Operate the program, either directly or through a subcontractor or joint agreement, in a manner consistent with department rules and regulations;**
- (2) Provide a minimum of one thousand dollars for each program grant and demonstrate to the satisfaction of the department that funds have been committed for that purpose;**
- (3) Enter into a binding agreement with each participating employer;**
- (4) Enter into a binding grant agreement with each eligible employee who is awarded a program grant; and**
- (5) Agree to provide documentation and cooperate with the department in conducting evaluations and analyses of the program.**

4. The local jurisdiction may impose additional eligibility requirements for program 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;**
 - (c) Are consistent with the provisions in this act;**
 - (d) Are consistent with any rules and regulations established by the department;**
- and**
- (e) Are imposed in a non-discriminatory manner.**

5. A local jurisdiction may authorize another entity to operate the program in that jurisdiction if the entity is a non-profit organization, local development corporation, development agency, housing authority or another local jurisdiction by resolution. If a local jurisdiction authorizes another entity to operate the program in that jurisdiction, either the local jurisdiction or the operating entity may provide the

matching funds required of the local jurisdiction.

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

620.1310. 1. To be eligible to participate in the program operated by the local jurisdiction, an employer shall:

(1) Enter a binding agreement with the local jurisdiction outlining the conditions under which the employer shall participate in the program, including the identification of a designated area in which the employer will provide contributions; and

(2) Except as provided in subsection 5 of this section, provide a minimum contribution of one thousand dollars for each program grant made to each eligible and participating employee up to a predetermined aggregate limit.

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

(1) Do not violate any applicable law;

(2) Are approved by the local jurisdiction;

(3) Are consistent with the provisions of this act;

(4) Are consistent with any rules and regulations established by the department;

and

(5) Are imposed on all eligible and participating employees of that employer.

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

4. If a participating employer has more than one location, there may be a designated 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 designated area. The designated 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 designated area of the employer for the location where the employee works.

5. In the event a local jurisdiction serves as a participating employer, the local jurisdiction shall provide a minimum contribution of two thousand dollars for each program grant made to an eligible employee employed by the local jurisdiction, in addition to the grant of one thousand dollars provided by the department.

6. A participating employer is not required to be located in the designated area

but must be located within ten miles of the designated area.

620.1313. 1. An eligible employee shall comply with the program requirements and all terms and conditions for receiving a program grant.

2. Only one person per household may receive a program grant.

620.1316. 1. The department shall provide one thousand dollars of the minimum three thousand dollar program grant to each eligible and participating employee.

2. The grant contributions from the department may not be used to:

(1) Fund a program 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 program.

3. A program grant may only be used for the down payment and closing costs incurred in connection with the purchase of an eligible residence.

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

620.1318. 1. Before agreeing to fund a program grant to an eligible employee, the local jurisdiction shall confirm:

(1) The eligibility of the property to be purchased;

(2) The eligibility of the participating 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 participating employer has made available at least one thousand dollars toward the program grant.

2. 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 recipient of the program grant. The participating employer shall provide its contribution to the recipient at or before the closing on the eligible residence. The program grant funds shall be exempt from state and local income taxes.

3. After the closing, the local jurisdiction shall submit to the department a request for reimbursement of the department's contribution to the program 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 program 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. Provided the local jurisdiction is in substantial compliance with all department rules and regulations at the time of closing, the department shall not unreasonably withhold reimbursement to the local jurisdiction.

4. The local jurisdiction shall make written reports to the department at times required by the department. Such reports shall be in the form and contain information required by the department.

620.1320. 1. The department may establish operational handbooks or manuals 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 the authority to execute program documents.

3. A local jurisdiction, participating employer, or eligible employee 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.

T

Bill

Copy