

SECOND REGULAR SESSION

# SENATE BILL NO. 772

91ST GENERAL ASSEMBLY

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INTRODUCED BY SENATOR GOODE.

Pre-filed December 1, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

2860S.011

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## AN ACT

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

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

Section A. Chapter 620, RSMo, is amended by adding thereto six new sections, to be known as sections 620.1313, 620.1316, 620.1321, 620.1324, 620.1330 and 620.1333, to read as follows:

**620.1313. For the purposes of sections 620.1313 to 620.1333, 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 as a "Live Near Your Work" area. To be defined as a designated area, the geographical area must be:

(a) Located in a municipality with a majority of census blocks with a median household income below the county median household income; or

**(b) Located in a census block with a median income below the county median household income as listed in the most recent decennial census;**

**(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;**

**(e) Is relocating from a census tract with a higher average per capita income than the census tract of the designated area; and**

**(f) Meets any additional eligibility requirements imposed by the local jurisdiction or the participating employer;**

**(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**

**620.1321;**

**(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 620.1313 to 620.1333;**

**(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 620.1313 to 620.1333, to be not less than three thousand dollars in the aggregate.**

**620.1316. 1. A local jurisdiction may enter into an agreement with a participating employer to operate a live near your work program in a designated area. The agreement shall provide that any eligible employee who has contracted to purchase an eligible residence within the designated area shall receive a program grant in an amount not less than three thousand dollars pursuant to sections 620.1313 to 620.1333. The local jurisdiction shall operate the program, either directly or through a subcontractor or joint agreement, and shall provide a minimum of one thousand dollars for each program grant.**

**2. In addition to those requirements set forth in section 620.1313, a 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) Are consistent with the provisions of sections 620.1313 to 620.1333; and**

**(c) Are imposed in a non-discriminatory manner.**

**3. 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.**

**4. The program grant may be structured as a forgivable loan conditioned upon employee compliance with any terms or agreements set forth pursuant to sections 620.1313 to 620.1333. Failure of an employee to comply with any such term or agreement may result in required total or partial repayment of the program grant.**

**620.1321. 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 sections 620.1313 to 620.1333; and**

**(4) 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 620.1313 to 620.1333 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 620.1313 to 620.1333, 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.**

**620.1324. 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.**

**620.1330. 1. The department shall provide one thousand dollars of the minimum three thousand dollar program grant to each eligible and participating employee, subject to appropriations.**

**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.**

**5. Any local live near your work program which receives a program grant contribution from the department shall be subject to audit by the state auditor.**

**620.1333. 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;

(4) That the participating employer has made available at least one thousand dollars toward the program grant; and

(5) That the department has sufficient appropriations to fund the department's portion of 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 compliance with sections 620.1313 to 620.1333 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 620.1313 to 620.1333 have not been met, or if appropriations have been exhausted, the department may deny a request for reimbursement. Provided the local jurisdiction is in substantial compliance with sections 620.1313 to 620.1333 at the time of closing, the department shall not unreasonably withhold reimbursement to the local jurisdiction.

4. 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.

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