

SECOND REGULAR SESSION

SENATE BILL NO. 656

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHILDERS.

Read 1st time January 7, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S3065.011

AN ACT

To amend chapters 144 and 215, RSMo, by adding thereto six new sections relating to a rural housing development program.

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

Section A. Chapters 144 and 215, RSMo, are amended by adding thereto six new sections, to be known as sections 215.350, 215.353, 215.356, 215.359, 215.362 and 1, to read as follows:

215.350. 1. The Missouri housing development commission shall establish a rural housing development program as provided in sections 215.350 to 215.362.

2. The program shall be used to provide loans for the construction of single family houses within incorporated communities with a population of five thousand or less in third class counties, subject to appropriations therefor. The program shall be limited to no more than one million dollars in loans for each fiscal year of the program.

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

215.353. 1. Any nonprofit corporation desiring to construct single family housing under sections 215.350 to 215.362 shall apply to the commission 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.

2. The commission shall award loan contracts to qualified nonprofit organizations according to a statement of need and compliance with sections 215.350 to 215.362.

3. The commission shall set control 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.

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

2. Upon the sale of a home, the proceeds shall be placed in the revolving fund and used to fund the construction of another home or to repay a 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 revolving fund to be used for the public benefit in development or rehabilitation of housing.

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

215.359. 1. The construction of homes by nonprofit corporations under sections 215.350 to 215.362 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.

2. All homes shall be constructed in accordance with the rural development building standards of the United States Department of Agriculture.

3. The nonprofit corporation may contract with other entities for the buying and selling of property and for construction of housing under sections 215.350 to 215.362.

215.362. 1. Homes constructed by nonprofit corporations under sections 215.350 to 215.362 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 revolving fund.

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

3. The nonprofit corporation shall establish priorities for selling the homes constructed to low income or moderate income persons and families, as defined in section 215.010, 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 provide qualified buyers prior to the completion of construction.

4. The sale contract shall contain a clause to prevent speculative purchases. The clause shall require a second mortgage to be obtained for the difference between the sale price and the appraised price, if any. The 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 shall be the primary home of the purchaser for a period of five years after the closing date; and

(2) The property may not be used as rental property for such five year period.

Section 1. 1. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, one hundred percent of the cost of materials and supplies purchased for the construction of single family homes in rural areas under sections 215.350 to 215.362, RSMo.

2. The exemption established in this section shall also apply to any sales tax established pursuant to any other section of law in this state unless such law specifically makes an exception to this section.