

FIRST REGULAR SESSION

# HOUSE BILL NO. 715

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES BRUNS AND DEEKEN (Co-sponsors).

Read 1<sup>st</sup> time April 2, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1702L.011

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### AN ACT

To repeal sections 208.750 and 208.760, RSMo, and to enact in lieu thereof two new sections relating to the family development account program.

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

Section A. Sections 208.750 and 208.760, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 208.750 and 208.760, to read as follows:

208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited as the  
2 "Family Development Account Program".

3 2. For purposes of sections 208.750 to 208.775, the following terms mean:

4 (1) "Account holder", a person who is the owner of a family development account;

5 (2) "Community-based organization", any religious or charitable association formed  
6 pursuant to chapter 352 **or** 355, RSMo, that is approved by the director of the department of  
7 economic development to implement the family development account program;

8 (3) "Department", the department of economic development;

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

10 (5) "Family development account", a financial instrument established pursuant to section  
11 208.760;

12 (6) "Family development account reserve fund", the fund created by an approved  
13 community-based organization for the purposes of funding the costs incurred in the  
14 administration of the program and for providing matching funds for moneys in family  
15 development accounts;

16 (7) "Federal poverty level", the most recent poverty income guidelines published in the  
17 calendar year by the United States Department of Health and Human Services;

18 (8) "Financial institution", any bank, trust company, savings bank, credit union or

19 savings and loan association as defined in chapter 362, 369 or 370, RSMo, and with an office  
20 in Missouri which is approved by the director for participation in the program;

21 (9) "Program", the Missouri family development account program established in sections  
22 208.750 to 208.775;

23 (10) "Program contributor", a person or entity who makes a contribution to a family  
24 development account reserve fund and is not the account holder.

208.760. 1. A family or individual whose household income is less than or equal to two  
2 hundred percent of the federal poverty level may open a family development account for the  
3 purpose of accumulating and withdrawing moneys for specified expenditures. The account  
4 holder may withdraw moneys from the account on the approval of the community-based  
5 organization, without penalty, for any of the following expenditures:

6 (1) Educational costs for any family member at an accredited institution of **vocational**  
7 **or** higher education;

8 (2) Job training costs for any family member eighteen years of age or older, at an  
9 accredited or licensed training program;

10 (3) Purchase of a primary residence;

11 (4) Major repairs or improvements to a primary residence; or

12 (5) Start-up capitalization of a small business for any family member eighteen years of  
13 age or older.

14 2. Financial institutions approved by the department shall be permitted to establish  
15 family development accounts pursuant to sections 208.750 to 208.775. The financial institution  
16 shall certify to the department, on forms prescribed by the department and accompanied by any  
17 documentation required by the department, that such accounts have been established pursuant  
18 to the provisions of sections 208.750 to 208.775 and that deposits have been made on behalf of  
19 the account holder.

20 3. A financial institution establishing a family development account shall:

21 (1) Keep the account in the name of the account holder;

22 (2) Permit deposits to be made in the account by the following, subject to the indicated  
23 conditions:

24 (a) The account holder; or

25 (b) A community-based organization on behalf of the account holder. Such a deposit may  
26 include moneys to match the account holder's deposits, up to a three-to-one match rate;

27 (3) Require the account to earn at least the market rate of interest; and

28 (4) Permit the account holder to withdraw moneys from the account for any of the  
29 purposes listed in subsection 1 of this section.

30 4. The total of all deposits by the account holder into a family development account in

31 a calendar year shall not exceed two thousand dollars. The total balance in a family development  
32 account shall not exceed fifty thousand dollars.