

FIRST REGULAR SESSION

HOUSE BILL NO. 809

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE COX.

Read 1st time February 8, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1943L.01I

AN ACT

To repeal sections 33.571, 67.974, 215.033, 215.050, 215.311, and 215.347, RSMo, and to enact in lieu thereof four new sections relating to housing funds.

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

Section A. Sections 33.571, 67.974, 215.033, 215.050, 215.311, and 215.347, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 33.571, 67.974, 215.311, and 215.347, to read as follows:

33.571. 1. The attorney general's court costs fund established by section 27.080, RSMo; the microfilming service revolving fund established by section 28.085, RSMo; the central check mailing service revolving fund established by section 30.245, RSMo; the revenue sharing trust fund established by section 30.900, RSMo; the Missouri veterans home fund and the Missouri state rehabilitation center fund established by section 31.010, RSMo; the state institutions gift trust fund established by section 33.563; the Missouri state surplus property clearing fund established by section 37.090, RSMo; [the tort defense fund established by section 105.710, RSMo;] the grade crossing fund established by section 152.032, RSMo; the handicapped children's trust fund established by section 162.790, RSMo; the state guaranty student loan fund established by section 173.120, RSMo; the special fund for the vocational rehabilitation of persons established by section 178.630, RSMo; the library service fund established by section 181.025, RSMo; the medical services fund established by section 192.255, RSMo; the crippled children's service fund established by section 201.090, RSMo; the Missouri clean water fund established by section 644.051, RSMo; [the housing development fund established by section

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 215.050, RSMo;] the national historic preservation fund established by section 253.022, RSMo;
16 the state park board building fund established by section 253.230, RSMo; [the Missouri federal
17 water projects recreation fund established by section 640.510, RSMo;] the marketing
18 development fund established by section 261.035, RSMo; the state fair fees fund established by
19 section 262.260, RSMo; the state fair trust fund established by section 262.262, RSMo; [the
20 abandoned fund account established by section 362.395, RSMo;] the public service commission
21 fund established by section 386.370, RSMo; the escheats fund established by section 470.020,
22 RSMo; [the professional liability review board fund established by section 538.055, RSMo;] and
23 the highway patrol academy fund established by section 590.145, RSMo, are abolished. All
24 balances in any of those funds on September 28, 1983, may be, as deemed necessary by the state
25 treasurer and commissioner of administration, transferred to the general revenue fund. Prior to
26 such date, any of the funds listed in this section which may be determined to be required for the
27 continued custody or receipt of money or property under the terms of any testamentary
28 instrument or indenture of trust, or from which repayment of any bonded indebtedness is to be
29 made, shall be certified by the commissioner of administration to the state treasurer and upon
30 such certification, shall be exempted from the provisions of this section. He shall notify the
31 revisor of statutes if such changes are made so that appropriate notations may be made in the
32 revised statutes.

33 2. The state treasurer and the commissioner of administration shall establish appropriate
34 accounts within the state treasury and in accordance with the state's accounting methods, and
35 those accounts shall be the successors to the enumerated funds. Any receipt required to be
36 deposited in the treasury to the credit of a particular fund which is abolished shall be deposited
37 in the general revenue fund instead and shall be credited to the successor account. Any
38 disbursement required to be made from a particular fund which is abolished shall be made from
39 the general revenue fund and shall be charged to the successor account, but no disbursement
40 from the general revenue fund shall be approved whenever such disbursement exceeds the
41 balance available in the designated successor account. When enacting appropriations, the
42 general assembly may establish such accounts within the general revenue fund as it deems
43 necessary and appropriate to control expenditures, and any appropriation authorizing an
44 expenditure from the general revenue fund shall specify the appropriate account within the
45 general revenue fund.

46 3. The state treasurer, the director of revenue, the commissioner of administration and
47 others are specifically empowered to make necessary changes and adjustments so as to properly
48 reflect state receipts and disbursements which may be received or expended for particular
49 purposes, but it is the intent of the general assembly by this enactment to transfer moneys

50 affected thereby to the general revenue fund for handling and investment. The revisor of statutes
51 shall prepare necessary bills to change the revised statutes so as to reflect this intent.

67.974. Each residential renovation loan commission may:

2 (1) Receive, hold and convey title to real estate on projects carried out by the
3 commission [and receive and use for the purposes described in sections 67.970 to 67.983 any
4 grants or loans made by the Missouri housing development commission pursuant to section
5 215.035 or 215.050, RSMo];

6 (2) Approve all proposed purchases of residences for renovation;

7 (3) Approve the workmen who will perform the renovation and reconstruction work; the
8 workmen, to be selected from the local labor force, shall be capable of performing the work for
9 which they will be hired, and shall be, as far as practicable, persons who are not employed on a
10 regular basis and who are indigenous to the areas which are selected for renovation activity;

11 (4) Contract and be contracted with;

12 (5) Seek such legal and other professional and staff assistance deemed necessary to carry
13 out the purposes of this section;

14 (6) Sell the residences renovated, but such sales shall be subject to the following
15 requirements:

16 (a) All residences sold which were acquired from a land reutilization authority pursuant
17 to section 92.810, RSMo, and at least seventy-five percent of all residences sold shall be sold to
18 persons who qualify for low-income housing ownership benefits under federal or state law, or
19 both, as determined annually by the residential renovation loan commission;

20 (b) Each residence shall be sold only to a person who will be the actual owner of record
21 of the residence and will actually occupy the residence for a period of not less than five years;

22 (c) Each residence shall be sold at a price which will allow the commission to recover
23 all costs incurred by it in acquiring, renovating, and selling such residence, including, but not
24 limited to, the purchase price paid for such residence, labor, materials, and other renovation
25 expenses and any reimbursement of expenses made to a land reutilization authority for property
26 acquired pursuant to section 92.810, RSMo;

27 (7) Do all other things necessary to implement and administer the residential renovation
28 program authorized by sections 67.970 to 67.983.

215.311. 1. An owner of a multifamily rental housing project seeking additional
2 subsidies for the property shall file with the Missouri housing development commission a request
3 for subsidies in such form and manner as the Missouri housing development commission shall
4 prescribe. Upon receipt of a notice of intent, the Missouri housing development commission
5 shall provide the owner with such information as the owner needs to prepare a plan to expand
6 affordability, which information shall include a description of the state incentives authorized

7 under sections 215.300 to 215.318 and the affordability restrictions placed on properties whose
8 owners are granted the additional subsidies. The owner may submit the plan to expand
9 affordability to the Missouri housing development commission in such form and manner as the
10 Missouri housing development commission shall prescribe.

11 2. The plan to expand affordability shall include:

12 (1) A description of any incentive that the owner is requesting from the state or local
13 government agencies as determined by prior consultation between the owner and any appropriate
14 state or local agencies;

15 (2) An assessment of the effect of the grant of the proposed incentives on present and
16 future tenants dwelling at the property, including, but not limited to, affordability and
17 maintenance of units of the property;

18 (3) Any other information that the Missouri housing development commission
19 determines is necessary to achieve the purposes of sections 215.300 to 215.318.

20 3. The owner may from time to time revise and amend the plan of action as may be
21 necessary to obtain approval of the plan under this section.

22 4. After receiving a plan of action from an owner of a multifamily rental housing project,
23 the Missouri housing development commission may enter into such agreements as are necessary
24 to satisfy the criteria for approval under section 215.314.

25 5. Such agreements may include the provision to the owner by the state or local
26 government of one or more of the following incentives that the Missouri housing development
27 commission determines to be necessary including:

28 (1) State income tax credits, pursuant to section 32.115, RSMo;

29 (2) Recommendations to local governments to grant property tax abatements;

30 [(3) Financing for second mortgages from the housing development fund as established
31 by section 215.050;

32 (4) Grants from the housing development fund as established by section 215.050.]

215.347. 1. The workfare renovation project shall have the following goals:

2 (1) To assist low-income individuals in learning a trade by providing them with an
3 opportunity to participate in the renovation of urban core property; and

4 (2) To create tax-producing property for the participating cities out of existing urban core
5 city property.

6 2. The governing body of any city defined in section 215.345, by enacting the appropriate
7 ordinances, may participate in the workfare renovation project by donating existing inner-city
8 property to the project, submitting a plan for renovation in the city to the commission and
9 establishing an agency to administer the project in such city pursuant to any authority delegated
10 to such agency by the commission. In any city not within a county or any city with at least three

11 hundred fifty thousand inhabitants which is located in more than one county, the Missouri
12 housing development commission using available state resources shall assign, either directly or
13 through contract, staff to oversee each respective city's project. In any city not within a county,
14 such staff shall annually report the progress of the project to the mayor and the board of
15 aldermen.

16 3. The commission may:

17 (1) Receive, hold and convey title to real estate on the workfare renovation project
18 carried out by the participating city and receive [and use for the purposes described in sections
19 215.340 to 215.355 any grants or loans made by the commission pursuant to section 215.035 or
20 section 215.050];

21 (2) Approve all proposed inner-city property for renovation;

22 (3) Approve the workers who will perform the renovation and reconstruction work. The
23 workers, to be selected from the local labor force, shall be capable of performing the work for
24 which they will be hired, and shall be, as far as practicable, persons who are classified as low
25 income or receiving public assistance and who are indigenous to the areas which are selected for
26 renovation activity;

27 (4) Contract and be contracted with;

28 (5) Seek such legal and other professional and staff assistance deemed necessary to carry
29 out the purposes of sections 215.340 to 215.355;

30 (6) Sell the properties renovated, but such sales shall be subject to the following
31 requirements:

32 (a) Each property shall be sold only to a person who will be the actual owner of record
33 of the property and will actually occupy the property for a period of not less than five years; and

34 (b) Each property shall be sold at a price which will allow the commission to recover all
35 costs incurred by it in renovating and selling such property, including, but not limited to, the
36 labor, materials and other renovation expenses;

37 (7) Do all other things necessary to implement and administer the residential renovation
38 program authorized by sections 215.340 to 215.355, including administering a revolving fund
39 for continued funding and operations of the program, and submitting an annual report on
40 expenditures made in the previous fiscal year by December first, beginning in 1999, to the state
41 auditor, the speaker of the house and the president pro tem of the senate;

42 (8) Utilize all appropriate tax credit and wage diversion programs offered through state
43 departments to assist low-income residents of this state in becoming self-sufficient through the
44 workfare renovation project.

45 4. No rule or portion of a rule promulgated pursuant to the authority of sections 215.340
46 to 215.355 shall become effective unless it has been promulgated pursuant to the provisions of

47 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable
48 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
49 including the ability to review, to delay the effective date, or to disapprove and annul a rule or
50 portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking
51 authority and any rule so proposed and contained in the order of rulemaking shall be invalid and
52 void.

2 [215.033. 1. The Missouri housing development commission is hereby
3 granted all powers necessary to create a nonprofit corporation to promote one or
4 more housing equity funds to serve the state of Missouri. The nonprofit
5 corporation shall be known as the "Missouri Equity Fund Support Corporation".
6 The purpose of the housing equity fund is to receive annual capital investments
7 from investors and to invest those funds in the construction or renovation of
8 affordable housing units for low-income families throughout the state of
9 Missouri. The nonprofit corporation shall not be deemed to be a political
10 subdivision of the state and shall not be subject to the requirements of chapter
610, RSMo.

11 2. As used in this section, the following terms mean:

12 (1) "Developer", any entity responsible for a tax credit development;

13 (2) "Housing equity fund", the fund or funds established to receive and
14 invest moneys invested by the investors in tax credit developments;

15 (3) "Investors", individuals, profit-making private corporations,
16 partnerships or other entities which invest money in the housing equity fund and
17 who generally pay Missouri income taxes;

18 (4) "Nonprofit corporation", the "Missouri Equity Fund Support
19 Corporation";

20 (5) "Tax credit development", a development which constructs or
21 rehabilitates affordable housing in the state of Missouri which is eligible for state
22 and federal low-income housing tax credits, or federal rehabilitation tax credits.

23 3. The nonprofit corporation shall establish and operate, or assist and
24 advise in the establishment and operation of the housing equity fund which
25 receives investments from investors and invest such funds in tax credit
26 developments.

27 4. The nonprofit corporation shall have the following powers:

28 (1) To contract with corporations and partnerships operating or intending
29 to operate a housing equity fund, to provide to them in exchange for reasonable
30 compensation the following services:

31 (a) Legal counsel and representation;

32 (b) Technical assistance;

33 (c) Administrative assistance;

34 (d) Marketing of the housing equity fund to potential investors;

35 (e) Investment underwriting assistance;

36 (2) To sue and be sued;

37 (3) To engage in and contract for any and all types of services, actions or
38 endeavors, not contrary to the law, necessary to the successful and efficient
39 operation and continuation of the business and purposes for which it is created;

40 (4) To purchase, receive, lease or otherwise acquire, own, hold, improve,
41 use, sell, convey, exchange, transfer and otherwise dispose of real and personal
42 property, or any interest therein, or other assets wherever situated; and

43 (5) To incur liabilities and borrow money at rates of interest up to the
44 market rate.

45 5. The governor shall appoint a board of directors to oversee the
46 nonprofit corporation. The board shall consist of a total of sixteen members, who
47 have demonstrated knowledge of housing and related issues. Such board shall
48 include the following:

49 (1) A representative of real estate brokers and agents;

50 (2) A representative of residential appraisers;

51 (3) A representative of affordable housing advocates, which include
52 homeless service providers, not-for-profit social service organizations and
53 not-for-profit housing providers;

54 (4) A representative of the home construction industry;

55 (5) A representative of banking and savings and loan institutions;

56 (6) Five representatives of investors who have made capital investments
57 in housing equity funds which have entered, or can reasonably be expected to
58 enter, into service contracts with the nonprofit corporation, or representatives of
59 the investment partners of such investors. If unable to select suitable members
60 in this category, the governor may instead select additional representatives from
61 subdivisions (1) to (5) of this subsection;

62 (7) By virtue of the office, the treasurer shall be a member of the board;

63 (8) By virtue of the office, the lieutenant governor shall be a member of
64 the board;

65 (9) By virtue of the office, the governor shall be a member of the board;

66 (10) By virtue of the office, the secretary of state shall be a member of
67 the board;

68 (11) By virtue of the office, the director of the department of economic
69 development shall be a member of the board; and

70 (12) By virtue of the office, the director of the Missouri housing
71 development commission shall be a member of the board.

72 6. Except for members serving by virtue of the office, the members' term
73 of office shall be four years and until their successors are appointed, except that
74 of the members first appointed, four shall be appointed for a term of two years,
75 three shall be appointed for a term of three years, and three shall be appointed for
76 a term of four years. Vacancies on the board shall be filled in the same manner
77 as the original appointments, except that, if the vacancy occurs during an
78 unexpired term, the appointment shall be for only the unexpired portion of that
79 term.

7. Board members of the nonprofit corporation shall not be compensated for their services while serving on the board; however, board members may receive reimbursement for their actual and necessary expenses incurred in the performance of their duties.

8. The board shall elect chair and other such officers as it deems necessary for the conduct of its business. If so required by the board, an officer shall give bond, in such form and amounts and with such sureties as the board may provide, for the faithful discharge of such officer's duties, but the premiums for any such bond shall be borne by the nonprofit corporation.

9. The board shall employ all necessary personnel, fix their compensation, and provide suitable quarters and equipment for the operation of the housing equity fund.

10. The Missouri housing development commission may provide the necessary start-up costs for the nonprofit corporation by grant or loan and may provide subsequent operating funds as it determines.

11. The nonprofit corporation shall publish an annual report which shall include, but not be limited to, a description of its efforts in establishing and maintaining the operation of the housing equity fund, the types of projects invested in and fund expenditures made by the housing equity fund. Copies of such annual reports shall be submitted to the governor, the members of the general assembly and the Missouri housing development commission on or before February fifteenth of each year.]

[215.050. 1. The commission shall establish a fund to be known as the "Housing Development Fund". There shall be paid into the housing development fund:

(1) Any moneys appropriated and made available to the commission to carry out the purposes of this fund;

(2) Any moneys which the commission receives in repayment of advances or loans made from the fund; and

(3) Any other moneys which may be made available to the commission for the purpose of such fund from any other source or sources.

2. Moneys held in the housing development fund may be used to make noninterest-bearing advances to nonprofit corporations to defray development costs of constructing or rehabilitating residential housing if such housing complies with the standards set by the commission under sections 215.010 to 215.250. No noninterest-bearing advances may be made unless the commission may reasonably anticipate that permanent financing of the residential housing may be obtained.

3. Each advance shall be repaid in full concurrent with the receipt by the nonprofit corporation of the proceeds of the permanent financing or of the construction loan, unless the commission shall extend the period for the

20 repayment of such advance, provided that no such extension shall be granted
21 beyond the date of final payment under the permanent financing.

22 4. If the commission shall determine at any time that permanent financing
23 may not be obtained, the advance shall become immediately due and payable and
24 shall be paid from any assets of the residential housing project.]

✓