

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 802

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES TRACY (Sponsor), TILLEY, BROWN (149), LIPKE, DUSENBERG, WRIGHT, SCHARNHORST, MOLENDORP, DEEKEN, FLANIGAN, BRANDOM, LEARA, ZERR, DIECKHAUS, GUERNSEY, WELLS, HOSKINS (121), McNARY, RIDDLE, PRATT, SMITH (150), HODGES, ICET, SCHOELLER, LeBLANC, SANDER, FUNDERBURK, DUGGER, KOENIG, ALLEN, PARKINSON, RICHARD AND DIEHL (Co-sponsors).

1626L.01P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 32.105, RSMo, and to enact in lieu thereof one new section relating to neighborhood assistance act.

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

Section A. Section 32.105, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 32.105, to read as follows:

32.105. As used in sections 32.100 to 32.125, the following terms mean:

- (1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;
- (2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be considered the amount of the gross rent. The cost to the occupant shall include the cost of any utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the

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.

14 commission. **For rental units**, persons or families are eligible occupants of affordable housing
 15 units if the household combined, adjusted gross income as defined by the commission is equal
 16 to or less than the following percentages of the median family income for the geographic area
 17 in which the residential unit is located, or the median family income for the state of Missouri,
 18 whichever is larger; ("geographic area", **as used in this subdivision**, means the metropolitan
 19 area or county designated as an area by the federal Department of Housing and Urban
 20 Development under Section 8 of the United States Housing Act of 1937, as amended, for
 21 purposes of determining fair market rental rates):

22	Percent of State or
23	Geographic Area Family
24	Median Income
Size of Household	
25	35%
26	40%
27	45%
28	50%
29	54%
30	58%
31	62%
32	66%

33
 34 **For owner-occupied units**, persons or families are eligible occupants of affordable housing
 35 units if the household combined, adjusted gross income as defined by the commission is
 36 equal to or less than the following percentages of the median family income for the
 37 geographic area in which the residential unit is located, or the median family income for
 38 the state of Missouri, whichever is larger:

39	Percent of State or
40	Geographic Area Family
41	Median Income
Size of Household	
42	70%
43	80%
44	90%
45	100%
46	108%
47	116%
48	124%
49	132%

50 (3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an
51 S corporation doing business in the state of Missouri and subject to the state income tax imposed
52 by the provisions of chapter 143, RSMo, including any charitable organization that is exempt
53 from federal income tax and whose Missouri unrelated business taxable income, if any, would
54 be subject to the state income tax imposed under such chapter, or a corporation subject to the
55 annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an
56 insurance company paying an annual tax on its gross premium receipts in this state, or other
57 financial institution paying taxes to the state of Missouri or any political subdivision of this state
58 pursuant to the provisions of chapter 148, RSMo, or an express company which pays an annual
59 tax on its gross receipts in this state;

60 (4) "Commission", the Missouri housing development commission;

61 (5) "Community services", any type of counseling and advice, emergency assistance or
62 medical care furnished to individuals or groups in the state of Missouri or transportation services
63 at below-cost rates as provided in sections 208.250 to 208.275, RSMo;

64 (6) "Crime prevention", any activity which aids in the reduction of crime in the state of
65 Missouri;

66 (7) "Defense industry contractor", a person, corporation or other entity which will be or
67 has been negatively impacted as a result of its status as a prime contractor of the Department of
68 Defense or as a second or third tier contractor. A "second tier contractor" means a person,
69 corporation or other entity which contracts to perform manufacturing, maintenance or repair
70 services for a prime contractor of the Department of Defense, and a "third tier contractor" means
71 a person, corporation or other entity which contracts with a person, corporation or other entity
72 which contracts with a prime contractor of the Department of Defense;

73 (8) "Doing business", among other methods of doing business in the state of Missouri,
74 a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in
75 the state of Missouri if such firm or S corporation, as the case may be, is doing business in the
76 state of Missouri;

77 (9) "Economic development", the acquisition, renovation, improvement, or the
78 furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the
79 state when such acquisition, renovation, improvement, or the furnishing or equipping of the
80 business development projects will result in the creation or retention of jobs within the state[;
81 or, until June 30, 1996, a defense conversion pilot project located in a standard metropolitan
82 statistical area which contains a city with a population of at least three hundred fifty thousand
83 inhabitants, which will assist Missouri-based defense industry contractors in their conversion
84 from predominately defense-related contracting to nondefense-oriented manufacturing]. Only
85 neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct

86 economic development projects. Prior to the approval of an economic development project, the
87 neighborhood organization shall enter into a contractual agreement with the department of
88 economic development. Credits approved for economic development projects may not exceed
89 six million dollars from within any one fiscal year's allocation. Neighborhood assistance
90 program tax credits for economic development projects and affordable housing assistance as
91 defined in section 32.111 may be transferred, sold or assigned by a notarized endorsement
92 thereof naming the transferee;

93 (10) "Education", any type of scholastic instruction or scholarship assistance to an
94 individual who resides in the state of Missouri that enables the individual to prepare himself or
95 herself for better opportunities or community awareness activities rendered by a statewide
96 organization established for the purpose of archeological education and preservation;

97 (11) "Homeless assistance pilot project", the program established pursuant to section
98 32.117;

99 (12) "Job training", any type of instruction to an individual who resides in the state of
100 Missouri that enables the individual to acquire vocational skills so that the individual can
101 become employable or be able to seek a higher grade of employment;

102 (13) "Neighborhood organization", any organization performing community services or
103 economic development activities in the state of Missouri and:

104 (a) Holding a ruling from the Internal Revenue Service of the United States Department
105 of the Treasury that the organization is exempt from income taxation pursuant to the provisions
106 of the Internal Revenue Code; or

107 (b) Incorporated in the state of Missouri as a not-for-profit corporation pursuant to the
108 provisions of chapter 355, RSMo; or

109 (c) Designated as a community development corporation by the United States
110 government pursuant to the provisions of Title VII of the Economic Opportunity Act of 1964;

111 (14) "Physical revitalization", furnishing financial assistance, labor, material, or technical
112 advice to aid in the physical improvement or rehabilitation of any part or all of a neighborhood
113 area;

114 (15) "S corporation", a corporation described in Section 1361(a)(1) of the United States
115 Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo, by
116 reason of section 143.471, RSMo;

117 (16) "Workfare renovation project", any project initiated pursuant to sections 215.340
118 to 215.355, RSMo.

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