

FIRST REGULAR SESSION

HOUSE BILL NO. 1260

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES ZWEIFEL (Sponsor), YAEGER,
DONNELLY, SCHIEFFER AND MEADOWS (Co-sponsors).

Read 1st time March 29, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

2749L.011

AN ACT

To repeal sections 208.750 and 208.755, RSMo, and to enact in lieu thereof two new sections relating to family development accounts.

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

Section A. Sections 208.750 and 208.755, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 208.750 and 208.755, 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, RSMo, **or any nonprofit corporation formed under chapter 355,**
7 **RSMo**, that is approved by the director of the department of economic development to
8 implement the family development account program;

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

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

11 (5) "Family development account", a financial instrument established pursuant to section
12 208.760;

13 (6) "Family development account reserve fund", the fund created by an approved
14 community-based organization for the purposes of funding the costs incurred in 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.

15 administration of the program and for providing matching funds for moneys in family
16 development accounts;

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

19 (8) "Financial institution", any bank, trust company, savings bank, credit union or
20 savings and loan association as defined in chapter 362, 369 or 370, RSMo, and with an office
21 in Missouri which is approved by the director for participation in the program;

22 (9) "Program", the Missouri family development account program established in sections
23 208.750 to 208.775;

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

208.755. 1. There is hereby established within the department of economic development
2 a program to be known as the "Family Development Account Program". The program shall
3 provide eligible families and individuals with an opportunity to establish special savings
4 accounts for moneys which may be used by such families and individuals for education, home
5 ownership or small business capitalization.

6 2. The department shall solicit proposals from community-based organizations seeking
7 to administer the accounts on a not-for-profit basis. Community-based organization proposals
8 shall include:

9 (1) A requirement that the individual account holder or the family of an account holder
10 match the contributions of a community-based organization member by contributing cash;

11 (2) A process for including account holders in decision making regarding the investment
12 of funds in the accounts;

13 (3) Specifications of the population or populations targeted for priority participation in
14 the program;

15 (4) A requirement that the individual account holder or the family of an account holder
16 attend economic literacy seminars;

17 (5) A process for including economic literacy seminars in the family development
18 account program; and

19 (6) A process for regular evaluation and review of family development accounts to
20 ensure program compliance by account holders.

21 3. In reviewing the proposals of community-based organizations, the department shall
22 consider the following factors:

23 (1) The not-for-profit status of such organization;

24 (2) The fiscal accountability of the community-based organization;

25 (3) The ability of the community-based organization to provide or raise moneys for
26 matching contributions;

27 (4) The ability of the community-based organization to establish and administer a reserve
28 fund account which shall receive all contributions from program contributors; and

29 (5) The significance and quality of proposed auxiliary services, including economic
30 literacy seminars, and their relationship to the goals of the family development account program.

31 4. No more than [twenty] **fifteen** percent of all funds in the reserve fund account may
32 be used for administrative costs of the program in each of the first two years of the program, and
33 no more than [fifteen] **ten** percent of such funds may be used for administrative costs for any
34 subsequent year. Funds deposited by account holders shall not be used for administrative costs.

35 5. The department shall promulgate rules and regulations to implement and administer
36 the provisions of sections 208.750 to 208.775. No rule or portion of a rule promulgated pursuant
37 to the authority of sections 208.750 to 208.775 shall become effective unless it has been
38 promulgated pursuant to the provisions of chapter 536, RSMo.

✓