

FIRST REGULAR SESSION

# HOUSE BILL NO. 802

## 95TH GENERAL ASSEMBLY

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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.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

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

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*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Section A. Section 32.105, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 32.105, to read as follows: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 commission. **For rental units**, persons or families are eligible occupants of affordable housing

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 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	23	Percent of State or
24	Size of Household	Geographic Area Family
25	One Person	Median Income
26	Two Persons	35%
27	Three Persons	40%
28	Four Persons	45%
29	Five Persons	50%
30	Six Persons	54%
31	Seven Persons	58%
32	Eight Persons	62%
33		66%

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	40	Percent of State or
41	Size of Household	Geographic Area Family
42	One Person	Median Income
43	One Person	70%
44	Two Persons	80%
45	Three Persons	90%
46	Four Persons	100%
47	Five Persons	108%
48	Six Persons	116%
49	Seven Persons	124%
	Eight Persons	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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