

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 546

96TH GENERAL ASSEMBLY

1575L.02P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 215.020, 215.030, and 215.034, RSMo, and to enact in lieu thereof three new sections relating to the housing development commission.

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

Section A. Sections 215.020, 215.030, and 215.034, RSMo, are repealed and three new  
2 sections enacted in lieu thereof, to be known as sections 215.020, 215.030, and 215.034, to read  
3 as follows:

215.020. 1. There is hereby created and established as a governmental instrumentality  
2 of the state of Missouri the "Missouri Housing Development Commission" which shall constitute  
3 a body corporate and politic.

4 2. The commission shall consist of the governor, lieutenant governor, the state treasurer,  
5 the state attorney general, and six members to be selected by the governor, with the advice and  
6 consent of the senate. The persons to be selected by the governor shall be individuals  
7 knowledgeable in the areas of housing, finance or construction. Not more than four of the  
8 members appointed by the governor shall be from the same political party. The members of the  
9 commission appointed by the governor shall serve the following terms: Two shall serve two  
10 years, two shall serve three years, and two shall serve four years, respectively. Thereafter, each  
11 appointment shall be for a term of four years. If for any reason a vacancy occurs, the governor,  
12 with the advice and consent of the senate, shall appoint a new member to fill the unexpired term.  
13 Members are eligible for reappointment.

14 3. Six members of the commission shall constitute a quorum. No vacancy in the  
15 membership of the commission shall impair the right of a quorum to exercise all the rights and

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.

16 perform all the duties of the commission. No action shall be taken by the commission except  
17 upon the affirmative vote of at least six of the members of the commission.

18 4. Each member of the commission appointed by the governor is entitled to  
19 compensation of fifty dollars per diem plus his reasonable and necessary expenses actually  
20 incurred in discharging his duties under sections 215.010 to 215.250.

21 **5. Beginning July 1, 2012, the executive director or the chief executive officer of the**  
22 **Missouri housing development commission shall reside within a forty-mile radius of the**  
23 **city of Jefferson City.**

215.030. 1. The commission is hereby granted, has and may exercise all powers  
2 necessary or appropriate to carry out and effectuate its purpose, including but not limited to the  
3 following:

4 (1) To make, purchase or participate in the purchase of uninsured, partially insured or  
5 fully insured loans, including mortgages insured or otherwise guaranteed by the federal  
6 government, or mortgages insured or otherwise guaranteed by other insurers of mortgages to  
7 approved mortgagors to finance the building, rehabilitation or purchase of residential housing  
8 designed and planned to be available for rental or sale to low-income or moderate-income  
9 persons or families, as well as to finance the building, rehabilitation or purchase of residential  
10 housing in distressed communities as defined in section 135.530 planned to be available for  
11 rental or sale to persons or families of any income level, or which will be occupied and owned  
12 by low-income or moderate-income persons, persons of any income level in distressed  
13 communities or families upon such terms as designated in sections 215.010, 215.030, 215.060,  
14 215.070, 215.090 and 215.160; or to purchase or participate in the purchase of any other  
15 securities which are secured, directly or indirectly, by any such loan;

16 (2) Insure any loan, the funds of which are to be used for the purposes of sections  
17 215.010 to 215.250 and the borrower of which agrees to the restrictions placed on such projects  
18 by the commission;

19 (3) To make or participate in the making of uninsured or federally insured construction  
20 loans to approve mortgagors of residential housing for occupancy by persons and families of low  
21 to moderate income or occupancy by persons and families of any income level in distressed  
22 communities as defined in section 135.530. Such loans shall be made only upon determination  
23 by the commission that construction loans are not otherwise available, wholly or in part, from  
24 private lenders upon reasonably equivalent terms and conditions. No commitment for a loan,  
25 except a "commitment in principle", shall be made unless all plans for development have been  
26 completed and submitted to the commission;

27 (4) To make temporary loans, with or without interest, but with such security for  
28 repayment as the commission deems reasonably necessary and practicable, to defray

29 development costs to approved mortgagors of residential housing for occupancy by persons and  
30 families of low and moderate income;

31 (5) Adopt bylaws for the regulation of its affairs and the conduct of its business and  
32 define, from time to time, the terms "low-income" and "moderate-income" so as to best carry out  
33 the purposes of sections 215.010 to 215.250 for the people intended hereby to be assisted. The  
34 definition may vary from one part of the state to another depending on economic factors in each  
35 section;

36 (6) To accept appropriations, gifts, grants, bequests, and devises and to utilize or dispose  
37 of the same to carry out its purpose;

38 (7) To make and execute contracts, releases, compromises, and other instruments  
39 necessary or convenient for the exercise of its powers, or to carry out its purpose;

40 (8) To collect reasonable fees and charges in connection with making and servicing its  
41 loans, notes, bonds, obligations, commitments, and other evidences of indebtedness, and in  
42 connection with providing technical, consultative and project assistant services. Such fees and  
43 charges shall be limited to the amounts required to pay the costs of the commission, including  
44 operating and administrative expenses, and reasonable allowances for losses which may be  
45 incurred;

46 (9) To invest any funds not required for immediate disbursement in obligations of the  
47 state of Missouri or of the United States government or any instrumentality thereof, the principal  
48 and interest of which are guaranteed by the state of Missouri, or the United States government  
49 or any instrumentality thereof, or bank certificates of deposit, or, in the case of funds pledged to  
50 note or bond issues of the commission, in such investments as the commission may determine;  
51 provided that on the date of issuance such note or bond issues are rated by Standard & Poor's  
52 Corporation not lower than "AA" in the case of long-term obligations or "SP-1+" in the case of  
53 short-term obligations or rated by Moody's Investors Service, Inc., not lower than "Aa" in the  
54 case of long-term obligations or Moody's Investment Grade I in the case of short-term  
55 obligations, or the equivalent ratings by such rating agencies in the event the ratings described  
56 in this section are changed;

57 (10) To sue and be sued;

58 (11) To have a seal and alter the same at will;

59 (12) To make, and from time to time, amend and repeal bylaws, rules and regulations  
60 not inconsistent with the provisions of sections 215.010 to 215.250;

61 (13) To acquire, hold and dispose of personal property for its purposes;

62 (14) To enter into agreements or other transactions with any federal or state agency, any  
63 person and any domestic or foreign partnership, corporation, association or organization;

64 (15) To acquire real property, or an interest therein, in its own name, to sell, transfer and  
65 convey any such property to a buyer, to lease such property to a tenant to manage and operate  
66 such property, to enter into management contracts with respect to such property and to mortgage  
67 such property;

68 (16) To sell, at public or private sale, any mortgage, negotiable instrument or obligation  
69 securing a construction, land development, mortgage or temporary loan;

70 (17) To procure insurance against any loss in connection with its property in such  
71 amounts, and from such insurers, as may be necessary or desirable;

72 (18) To consent, whenever it deems it necessary or desirable in the fulfillment of its  
73 purpose, to the modification of the rate of interest, time of payment or any installment of  
74 principal or interest, or any other terms, of any mortgage loan, mortgage loan commitment,  
75 construction loan, temporary loan, contract or agreement of any kind to which the commission  
76 is a party;

77 (19) To make and publish rules and regulations respecting its lending, insurance of loans,  
78 federally insured construction lending and temporary lending to defray development costs and  
79 any such other rules and regulations as are necessary to effectuate its purpose;

80 (20) To borrow money to carry out and effectuate its purpose and to issue its negotiable  
81 bonds or notes as evidence of any such borrowing in such principal amounts and upon such terms  
82 as shall be necessary to provide sufficient funds for achieving its purpose, and to secure such  
83 bonds or notes by the pledge of revenues, mortgages or notes of others;

84 (21) To issue renewal notes, to issue bonds to pay notes, and whenever it deems  
85 refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be  
86 refunded have or have not matured;

87 (22) To apply the proceeds from the sale of renewal notes or refunding bonds to the  
88 purchase, redemption, or payment of the notes or bonds to be refunded;

89 (23) To provide technical services to assist in the planning, processing, design,  
90 construction or rehabilitation of residential housing for occupancy by persons and families of low  
91 and moderate income, persons and families in distressed communities as defined in section  
92 135.530 of any income level or land development for residential housing for occupancy by  
93 persons and families of low and moderate income or persons and families in distressed  
94 communities of any income level;

95 (24) To provide consultative project assistance services for residential housing for  
96 occupancy by persons and families of low and moderate income or persons and families of any  
97 income level in distressed communities as defined in section 135.530 and for land development  
98 for residential housing for occupancy by persons and families of low and moderate income, or

99 for persons and families of any income level in distressed communities and for the residents  
100 thereof with respect to management, training and social services;

101 (25) To promote research and development in scientific methods of constructing low cost  
102 residential housing of high durability; and

103 (26) To make, purchase or participate in the purchase of uninsured, partially insured or  
104 fully insured loans and home improvement loans to sponsors to finance the weatherization of  
105 single and multifamily dwellings, and shall issue its negotiable bonds or notes for such purpose.

106 **2. Subject to appropriation, the commission may expend money for its personal**  
107 **services, salaries, and operating expenses.**

108 **3.** Any rule or portion of a rule, as that term is defined in section 536.010, that is  
109 promulgated under the authority of this chapter, shall become effective only if the agency has  
110 fully complied with all of the requirements of chapter 536 including but not limited to, section  
111 536.028 if applicable, after January 1, 1999. All rulemaking authority delegated prior to January  
112 1, 1999, is of no force and effect and repealed as of January 1, 1999, however nothing in this act  
113 shall be interpreted to repeal or affect the validity of any rule adopted and promulgated prior to  
114 January 1, 1999. If the provisions of section 536.028 apply, the provisions of this section are  
115 nonseverable and if any of the powers vested with the general assembly pursuant to section  
116 536.028 to review, to delay the effective date, or to disapprove and annul a rule or portion of a  
117 rule are held unconstitutional or invalid, the purported grant of rulemaking authority and any rule  
118 so proposed and contained in the order of rulemaking shall be invalid and void, except that  
119 nothing in this act shall affect the validity of any rule adopted and promulgated prior to January  
120 1, 1999.

215.034. 1. The "Missouri Housing Trust Fund" is hereby established in the state  
2 treasury. At the conclusion of each fiscal year, the state treasurer shall allocate all moneys in the  
3 Missouri housing trust fund to the Missouri housing development commission for disbursement  
4 and investment as directed in this section. Moneys deposited in the fund shall include the  
5 designated funds received from the user fee established in section 59.319, money transferred  
6 from the Missouri housing development commission and any other amounts which may be  
7 received from grants, gifts, bequests, the state or federal government, or any other source.  
8 Moneys in the fund shall be used solely for the purposes established by sections 215.034 to  
9 215.039.

10 2. All administrative costs of this program incurred by the Missouri housing  
11 development commission shall be paid from this fund, which costs annually shall not exceed two  
12 percent of the net annual revenues received into the fund.

13 3. In administering the Missouri housing trust fund, the Missouri housing development  
14 commission shall commit or expend the money annually deposited into the fund and all interest

15 earned on the fund. All money annually deposited in and interest earned on the housing trust  
16 fund shall be expended solely for the purposes established in sections 215.034 to 215.039.

17           4. The unexpended balance existing in the fund at the end of any biennium year shall be  
18 exempt from the provisions of section 33.080 relating to the transfer of unexpended balances to  
19 the general revenue fund.

20           **5. The fund shall maintain no more than the total of the last two years of funding**  
21 **or a minimum of three hundred thousand dollars, whichever is greater.**

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