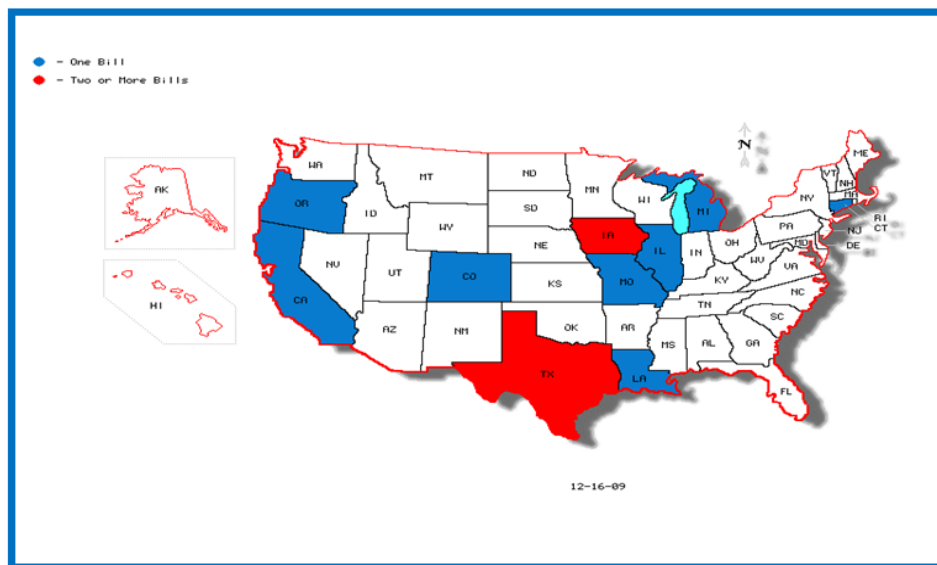


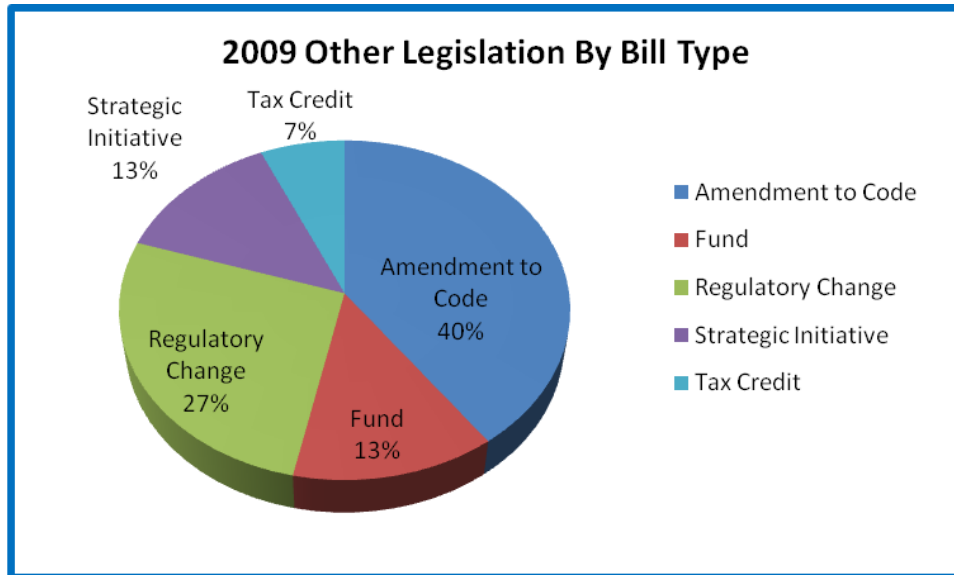
# 2009 State Legislative Guide: Other

Bills designated as other bill types were bills were relevant to the opportunity finance industry or innovative new projects that did not fit into the other categories as defined. During the 2009 session, there were 15 other bills tracked in ten states.

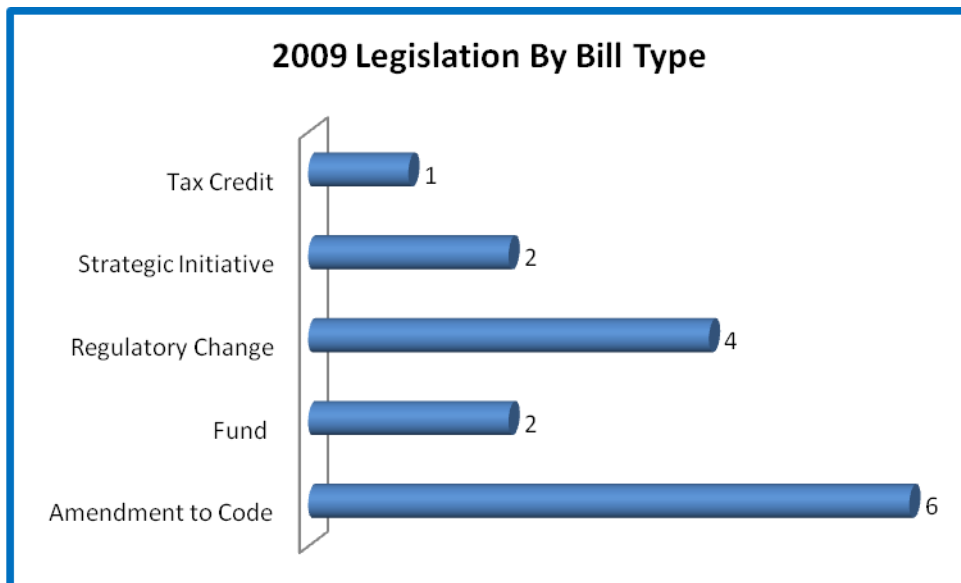
The map below show the state that introduced payday lending legislation in color: states in blue introduced one bill and states in red introduced two or more bills.

- One Bill: California, Colorado, Connecticut, Illinois, Louisiana, Michigan, Missouri, Oregon
- Two or More Bills: Iowa, Texas

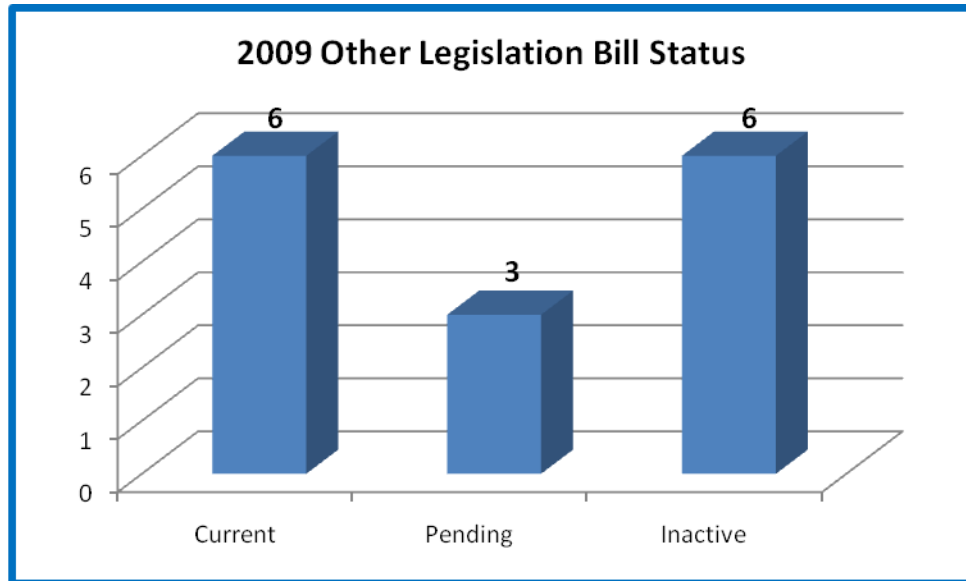




Of the 15 bills categorized as other, six bills, or 40 percent, were amendments to their state code. An additional 27 percent were regulatory changes, while there were two funds and two strategic initiatives. There was also one tax credit bill: Missouri House Bill 191.



Six of the other bill types passed their legislatures this session: two strategic initiatives, two amendments to code, one tax credit, and one regulatory change. Three bills are still pending: California A.B. 33, Illinois H.B. 3752, and Michigan S.B. 772. The remaining six bills did not pass this session.



## Current Legislation

### **Colorado: An Act Concerning the Administration of the Exempt Status of Property for Property Tax Purposes, S.B. 42**

**Focus: Other**

**Type: Amendment to Code**

Senate Bill 42 amends the property tax law by expanding the definition of property overseen by the property tax administrator that qualifies for a property tax exemption to include property owned by organizations created to take advantage of the federal New Markets Income Tax Credit or the Rehabilitation Tax Credit Program.<sup>1</sup> The bill requires entities with an interest in real property that qualify for an exemption under the bill to make a payment in lieu of taxes to school districts in which the entity is located in an amount equal to the taxes that would have been owed to the district had the exemption not occurred. The bill was signed into law by Governor Ritter on April 22, 2009.

<http://www.leg.state.co.us/Clics/CLICS2009A/csl.nsf/BillFoldersSenate?openFrameset>

### **Connecticut: An Act Concerning Branching and Authority to Implement the National Defense Authorization Act, S.B. 617**

**Focus: Other**

**Type: Strategic Initiative**

This bill allows the banking commissioner, between October 1, 2009 and September 30, 2011, to accept applications for expedited Connecticut banks. These are banks organized primarily for the purpose of assuming liabilities and purchasing assets from the Federal Deposit Insurance Corporation when it is acting as receiver or conservator of an insured depository institution. Additionally, the bill allows the banking commissioner to waive the filing of a Community Reinvestment Act (CRA) plan for banks that meet certain standards, and expedites the process for them to establish bank branches. The bill also allows Connecticut banks to open special need limited branches for high school students, under certain conditions.

[http://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill\\_num=617&which\\_year=2009&SUBMIT1.x=0&SUBMIT1.y=0&SUBMIT1=Normal](http://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=617&which_year=2009&SUBMIT1.x=0&SUBMIT1.y=0&SUBMIT1=Normal)

### **Louisiana: Healthy Foods Retail Act, S.B. 299**

**Focus: Other**

**Type: Strategic Initiative**

The Healthy Food Retail Financing Program proposed within this legislation is based upon the Pennsylvania Fresh Food Financing Initiative. Under House Bill 299, the Louisiana Department of Agriculture and Forestry, in cooperation with public and private sector partners, must establish a financing program that provides grants and loans to healthy food retailers that increase access to fresh fruits and vegetables and other affordable healthy food in underserved communities.

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<sup>1</sup> The Rehabilitation tax credit is a credit designed to promote revitalization in urban and rural communities by encouraging a tax credit for private investment in the rehabilitation of older buildings. The credit allows the owner of a certified historic structure to receive a federal income tax credit equal to 20 percent of the amount spent on qualified rehabilitation costs. There is also a 10 percent credit for older, non-historic buildings.

The department must contract with one or more qualified nonprofit organizations or CDFI to administer the program through a public-private partnership, to raise matching funds, market the program statewide, evaluate applicants, make award decisions, underwrite loans, and monitor compliance and impact. The program will provide funding on a competitive, one-time basis for eligible projects, such as:

- new construction of supermarkets and grocery stores;
- store renovations, expansion, and infrastructure upgrades that improve the availability and quality of fresh produce;
- farmers' markets and public markets, food cooperatives, mobile markets and delivery projects, and distribution projects that enable food retailers in underserved communities to regularly obtain fresh produce; and
- other projects that create or improve healthy food retail outlets that meet the intent of proposed law as determined by the department.

Funding can be used for site acquisition and preparation, construction costs, equipment and furnishings, workforce training, security, certain pre-development costs such as market studies and appraisals, and working capital for first-time inventory and start-up costs. The bill was signed into law July 1, 2009 and became effective August 15, 2009.

<http://www.legis.state.la.us/billdata/streamdocument.asp?did=667987>

### **Missouri: An Act Relating to Job Development, H.B 191**

#### **Focus: Other/Job Creation**

#### **Type: Tax Credit**

This bill makes numerous changes to certain tax credit provisions in the Missouri code. Currently, taxpayers who contribute to Missouri Development Finance Board funds receive an infrastructure development contribution tax credit equal to 50 percent of the contribution. The board cannot issue more than \$10 million in tax credits in any calendar year or five percent of the average growth in the general revenue receipts in the preceding three fiscal years, whichever is less, but the limitation may be exceeded if agreed to by the Commissioner of the Office of Administration and the directors of the departments of Economic Development and Revenue.

The bill specifies that the total annual amount of tax credits which the board may authorize or approve cannot exceed \$10 million, but this limitation can be exceeded if agreed upon by the Commissioner and the department directors in a signed notarized letter, in which case no more than \$25 million in tax credits can be authorized or approved in that year. This bill allows a taxpayer that makes a qualified equity investment a tax credit in an amount equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment. The Department of Economic Development shall limit the monetary amount of qualified equity investments permitted under this section to a level necessary to limit tax credit utilization at no more than \$27.5 million of tax credits in any fiscal year.

This bill also allows the Missouri Development Finance Board to issue Build America bonds and recovery zone bonds to pay for the cost of financing qualifying projects and authorizes any

development agency, board, commission, or body corporate and politic of the state that is authorized to issue tax-exempt municipal bonds to designate bonds as Build America bonds and recovery zone bonds.

House Bill 191 also limits the total amount of tax credits that may be authorized for low-income housing to taxpayers owning an interest in a qualified Missouri project to \$6 million each fiscal year for projects financed through tax-exempt bonds. The bill passed and was signed into law in June.

<http://www.house.mo.gov/content.aspx?info=/bills091/bills/hb191.htm>

### **Oregon: An Act Relating to Financial Regulation, H.B. 2199**

**Focus: Other/Financial Services**

**Type: Regulatory Change**

House Bill 2199 changes several provisions in the Oregon code pertaining to financial regulation. It authorizes the Director of Department of Consumer and Business Services to set different examination fees for different financial institutions and to share information with the federal Financial Crimes Enforcement Network. It also broadens the authority of the Director to issue cease and desist order to include instances involving violations of federal regulations and repeals regulations governing savings associations. The bill was signed into law June 25, 2009.

<http://www.leg.state.or.us/09reg/measures/hb2100.dir/hb2199.a.html>

### **Tennessee: Taxes, Exemptions, and Credits, H.B. 643**

**Focus: Other**

**Type: Amendment to Code**

Presently, Tennessee law provides an exemption from property taxes for property of Tennessee nonprofit corporations that is used for permanent housing of low income persons with disabilities, or low income elderly or handicapped persons if the property is financed by a grant under one of the following federal programs:

- Sections 811 or 211 of the National Affordable Housing Act;
- the McKinney-Vento Homeless Assistance Act or is financed by a loan made, insured, or guaranteed by a branch, department or agency of the United States government under:
  - Section 515(b) or Section 521 of the Housing Act of 1949;
  - Section 202 of the Housing Act of 1959;
  - Sections 221, 231 or 236 of the National Housing Act; or
  - Section 8 of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

Eligibility for the exemption under such programs continues so long as there is an unpaid balance on the loan, or in the case of a grant, so long as the project is restricted to use for elderly or handicapped persons or persons with disabilities as defined in the programs.

This bill specifies that property that is exempt from property taxes on the basis of having been financed by a loan pursuant to the aforementioned federal programs will continue to qualify for

the exemption, even where the loan is refinanced under a comparable federal program, provided that the property use is restricted to low-income housing of elderly or handicapped persons or persons with disabilities pursuant to the aforementioned programs.

A loan is considered to be guaranteed if the federal housing agency has consented to assignment of a housing assistance program contract as security for the loan. Under present law, there is also an exemption for those properties owned by nonprofit organizations and funded under the federal HOME Investment Partnerships Program, or the state-funded Housing Opportunities Using State Encouragement (HOUSE) Program. To qualify, the property must be used for permanent housing for low-income or very-low-income disabled or handicapped persons. This bill extends this provision to housing for low income or very low income elderly persons. The bill was signed into law by the Governor on April 30, 2009, and became effective immediately.

<http://wapp.capitol.tn.gov/apps/BillInfo/Default.aspx?BillNumber=HB0643>

## Pending Legislation

### **California: An Act Relating to Financial Transactions, A.B. 33**

**Focus: Other**

**Type: Amendment to Code**

The regulation and oversight of financial services in California are divided among three regulators, the Department of Financial Institutions, the Department of Real Estate, and the Department of Corporations. This bill would require the Secretary of Business, Transportation and Housing, in conjunction with the Commissioner of Financial Institutions, the Commissioner of Corporations, and the Real Estate Commissioner, to develop a plan to consolidate the operations and licensing frameworks of the three departments into a single department by January 1, 2015. The plan must be submitted to the Legislature by January 1, 2012. The bill passed the Assembly and is pending in the Senate.

[http://www.legislature.ca.gov/cgi-bin/port-postquery?bill\\_number=ab\\_33&sess=CUR&house=B&author=nava](http://www.legislature.ca.gov/cgi-bin/port-postquery?bill_number=ab_33&sess=CUR&house=B&author=nava)

### **Illinois: An Act Concerning Financial Regulation, H.B. 3752**

**Focus: Other/Financial Services Reform**

**Type: Regulatory Change**

This bill prohibits any bank that does business with the State from offering No Income No Asset Loans (NINA Loans) or No Income, No Job, and No Asset Loans (NINJA Loans). The bill is pending in the House Rules Committee.

<http://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=76&GA=96&DocTypeId=HB&DocNum=3752&GAID=10&LegID=46548&SpecSess=&Session=>

### **Michigan: An Act to Amend the Banking Code of 1999, S.B. 772**

**Focus: Other/Banking**

**Type: Amendment to Code**

This bill prohibits banks from charging any fees based on account inactivity. The bill is pending in the Committee on Banking and Financial Institutions.

## Inactive Legislation

### **Iowa: Public Improvement Quality Protection Act, H.F. 333**

**Focus: Other**

**Type: Regulatory Change**

House File 333 requires payment of local prevailing wage rates to persons working on public improvements for public bodies. Public improvements are defined as:

- construction; alteration; reconstruction; repair; rehabilitation; refinishing; refurbishing; remodeling; renovation; maintenance; landscaping; improving; moving; wrecking; painting; decorating; custom fabrication, which includes fabrication of plumbing, heating, cooling, ventilation, architectural systems, structural systems, exhaust duct systems, or mechanical insulation; demolishing of, adding to, or subtracting from any building, structure, sewer, ditch, sewage disposal plant, waterworks, parking facility, excavation or other structure, project, development, or improvement, or any part thereof undertaken by a public body;
- the erection of scaffolding or other structures or works; the maintenance, repair, assembly, or disassembly of equipment; the testing of materials; the hauling of refuse incidental to the public improvement from the project site to an outside disposal location; the cleaning of grounds or structures; or the addition to or fabrication into any structure, project, development, or improvement of any material or article of merchandise undertaken by a public body;
- the preparation and removal of roadway construction zones, lane closures, flagging, or traffic diversions undertaken by a public body;
- the installation, repair, maintenance, or calibration of monitoring equipment for underground storage tanks undertaken by a public body; and
- the transportation of supplies, material, and equipment to or from the property or premises undertaken by a public body.

The bill died after failing to pass a vote in the House. There was also a motion introduced to reconsider the bill, however, that failed as well.

<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&ga=83&hbill=HF333>

### **Iowa: Iowa Unmet Needs Disaster Grant Program, S.F.67**

**Focus: Other/Disaster Recovery**

**Type: Fund**

Senate File 67 appropriates \$10 million from the Iowa Economic Emergency Fund for reimbursing expenses for unmet needs for persons located in an area which was declared a disaster area by the president of the United States due to a disaster occurring after May, 2008, and before August, 2008.

Determination of eligibility under the program and certification of unmet needs under the program must be made by area long-term disaster committees and the disaster recovery case

management program established by the Rebuild Iowa office. An eligible participant shall receive reimbursement for expenses upon presenting a receipt for an eligible unmet need or a voucher through a voucher system administered jointly by the Department of Human Services and the area long-term disaster committees. A grant recipient shall not receive more than \$2,500.

A grant recipient must have an income that is equal to or less than 300 percent of the federal poverty level based on the number of people in the household of the recipient. Unmet needs disaster grants must not supplant any other financial support, assistance, or grants provided by any other federal or state government, nonprofit agency, or faith-based agency.

Unmet need expenses eligible for reimbursement are limited to expenses associated with personal property, home repair, food assistance, mental health assistance, child care, and temporary housing. The bill also provides matching funds for an IDA state match fund for account holders affected by a natural disaster occurring in 2008 in a federally declared disaster area who have a household income that is equal to or less than 300 percent of the federal poverty level. The bill died in the House Appropriations Committee.

<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&ga=83&hbill=SF67>

### **Iowa: An Act Relating to Minimum Ratings Required for Financial Institution Eligibility to Receive Deposits of State Public Funds, H.F. 539**

**Focus: Other/ Community Reinvestment**

**Type: Amendment to Code**

This bill relates to eligibility requirements applicable to financial institutions in order to receive deposits of state public funds. Currently, a financial institution is eligible to receive funds once it is added to a list of financial institutions compiled by a committee consisting of the Superintendent of Banking, the Superintendent of Credit Unions, the Auditor of state or a designee, and the Treasurer of State.

The committee must require that a financial institution seeking to qualify for the list annually provide a written statement that the financial institution has complied with the requirements of the Code chapter and has a commitment to community reinvestment consistent with the safe and sound operation of a financial institution. This requirement is waived, however, if the financial institution has received a rating of satisfactory or higher pursuant to the federal Community Reinvestment Act and the rating is certified to the committee by the superintendent of banking. The bill deletes the provision permitting a financial institution that has not received a rating of satisfactory or higher to qualify for the list pursuant to the written statement of compliance and commitment. House Bill 539 died in the Committee on State Government.

<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&ga=83&hbill=HF539>

**Texas: An Act Relating to the Creation, Operation, and Funding of the Texas Youthbuild Program, H.B. 2492**

**Focus: Other/Workforce Development**

**Type: Strategic Initiative**

House Bill 2492 establishes the Texas YouthBuild program to promote the economic self-sufficiency of disadvantaged or at-risk youth, non-violent juvenile offenders, and young veterans by providing those persons with opportunities to acquire job skills while performing community service activities. The program seeks to create opportunities for communities to restore abandoned properties and historic areas, enhance public places, and increase the availability of affordable, energy-efficient housing for individuals and families of low income, and create training and employment opportunities for eligible veterans.

The bill requires the Texas Workforce Commission to award grants to eligible organizations that demonstrate successful experience in providing integrated green job training and education and counseling and support services for high school dropouts or at-risk youth. Eligible organizations include:

- a private, nonprofit, tax-exempt organization;
- a public agency that operates a community-based youth employment training program; a community housing development organization certified by the state;
- a community educational facility;
- a corps-based community service organization including AmeriCorps, Southwest Conservation Corps, American Youthworks, and similar corps-based service organizations;
- an open-enrollment charter school approved by the Texas Education Agency that serves students 16 years of age or older; or
- a public school that serves students 16 years of age or older.

The bill died when the legislative session ended.

<http://www.capitol.state.tx.us/tlodocs/81R/billtext/html/HB02492H.htm>

**Texas: Qualified Manufacturing Project Zones, H.B. 4525**

**Focus: Other/Workforce Development**

**Type: Amendment to Code**

H.B. 4525 seeks to incentivize the manufacturing industry to create new positions and further train its workforce by offering qualified manufacturing projects a refund on half of the additional state sales tax revenue that a qualified manufacturing project brings to its region. Qualified manufacturing projects would be defined as proposed new or expanded facilities in which at least \$100 million is invested, and is forecasted to create at least 300 full-time jobs, and the construction of which begins after September 1, 2009.

Projects not related to renewable energy generation, advanced battery technology, or waste recycling would be required to invest at least \$200 million. The owner of a proposed facility would be required to be considering locating the facility outside the state, or be in competition

with similar projects in other states for federal funds or financial support that would benefit the project. Electrical generation facilities capturing and sequestering carbon dioxide would also qualify.

The state sales tax refund, which is capped at the lesser of \$50 million or five percent of the amount the qualified manufacturing project invests in the facility, will be invested in workforce development. The bill requires at least ten percent of the amount received as a refund fiscal year to be expended for job skills training programs that serve persons who are unemployed or whose incomes are at or below 200 percent of the federal poverty level. The bill passed the House but did not pass the Senate before the session ended.

<http://www.capitol.state.tx.us/tlodocs/81R/billtext/html/HB04525E.htm>

**Texas: An Act Relating to the Exemption from Ad Valorem Taxation of Property, S.B. 2865**

**Focus: Other**

**Type: Amendment to Code**

Senate Bill 2865 amends the Tax Code relating to the exemption from property taxation of property used by a charitable organization. The bill would add the provision of access to affordable financial products and services for low-income individuals and under-served communities by certain certified CDFIs that are exempt from federal income taxation to the list of charitable functions that would enable the charitable organization to qualify for the exemption. The bill died in the House Ways and Means Committee.

<http://www.capitol.state.tx.us/tlodocs/81R/billtext/html/HB02865I.htm>

