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HOMESTEAD ASSISTANCE ACT

House Bill 5871

Sponsor: Rep. Mark Schauer

**Committee: Urban Policy and Economic
Development**

Complete to 5-29-98

A SUMMARY OF HOUSE BILL 5871 AS INTRODUCED 5-19-98

The bill would create the Homestead Assistance Act. It would allow for local governmental units to sell real property to certain nonprofit organizations for less than market value. Only 501(c)(3) nonprofits that purchased real property for the purpose of constructing single- or multi-family homes and reselling them for use as family residences would be eligible.

The sale of the real property would be subject to certain conditions. No cost of the sale, except for the value of the interest being sold, could be charged to the local governmental unit. In addition, the nonprofit would have to agree to hold the local governmental unit harmless from any liability that might arise from the condition of the property. Finally, the nonprofit would have to agree to resell the property for no more than 80 percent of its market value as determined by a lending institution or appraiser licensed in this state and for no more than \$55,000.

The powers granted to local governmental units under the bill would be in addition to any powers already granted to such units by state laws or charters adopted under state law.

House Bill 5871 (5-29-98)

Analyst: W. Flory

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.