

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 174
96TH GENERAL ASSEMBLY

0102L.07C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.1303 and 67.1521, RSMo, and to enact in lieu thereof three new sections relating to the imposition of fees for the repair of water service lines in certain municipalities.

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

Section A. Sections 67.1303 and 67.1521, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 67.319, 67.1303, and 67.1521, to read as follows:

**67.319. 1. If approved by a majority of the voters voting on the proposal, any city,
2 town, or village located within this state may, by ordinance, levy and impose annually,
3 upon water service lines providing water service to residential property having four or
4 fewer dwelling units within the jurisdiction of such city, town, or village, a fee not to exceed
5 one dollar per month or twelve dollars annually.**

6 **2. The ballot of submission shall be in substantially the following form:**

7 **For the purpose of repair or replacement of water lines extending from the water
8 main to a residential dwelling due to failure of the line, shall
9 (city, town, or village) be authorized to impose a fee not to exceed one dollar per month or
10 twelve dollars annually on residential property for each water service line providing water
11 service within the (city, town, or village) to residential property having four or fewer
12 dwelling units for the purpose of paying for the costs of necessary water service line repairs
13 or replacements?**

14 **YES** **NO**

15 **3. For the purpose of this section, a water service line may be defined by local
16 ordinance, but may not include the water meter or exceed that portion of water piping and
17 related valves and connectors which extends from the water mains owned by the utility or**

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.

18 municipality distributing public water supply to the first opportunity for a connection or
19 joint beyond the point of entry into the premises receiving water service, and may not
20 include facilities owned by the utility or municipality distributing public water supply. For
21 purposes of this section, repair may be defined and limited by local ordinance, and may
22 include replacement or repairs.

23 **4. If a majority of the voters voting thereon approve the proposal authorized in**
24 **subsection 1 of this section, the governing body of the city, town, or village may enact an**
25 **ordinance for the collection of such fee. The funds collected under such ordinance shall**
26 **be deposited in a special account to be used solely for the purpose of paying for the**
27 **reasonable costs associated with and necessary to administer and carry out the water**
28 **service line repairs as defined in the ordinance and, if sufficient revenues are available, to**
29 **reimburse the necessary costs of water service line repair or replacement. All interest**
30 **generated on deposited funds shall be accrued to the special account established for the**
31 **repair of water service lines.**

32 **5. The city, town, or village may establish, as provided in the ordinance, regulations**
33 **necessary for the administration of collections, claims, repairs, replacements and all other**
34 **activities necessary and convenient for the implementation of any ordinance adopted and**
35 **approved under this section. The city, town, or village may administer the program or may**
36 **contract with one or more persons, through a competitive process, to provide for**
37 **administration of any portion of implementation activities of any ordinance adopted and**
38 **approved under this section, and reasonable costs of administering the program may be**
39 **paid from the special account established under this section.**

40 **6. Notwithstanding any other provision of law to the contrary, the collector in any**
41 **city, town, village or county that adopts an ordinance pursuant to this section, who now or**
42 **hereafter collects any fee to provide for, ensure or guarantee the repair of water service**
43 **lines, may add such fee to the general tax levy bills of property owners within the city,**
44 **town, village or unincorporated area of the county. All revenues received on such**
45 **combined bill which are for the purpose of providing for, ensuring or guaranteeing the**
46 **repair of water service lines, shall be separated from all other revenues so collected and**
47 **credited to the appropriate fund or account of the city, town, village or county. The**
48 **collector of the city, town, village or county may collect such fee in the same manner and**
49 **to the same extent as the collector now or hereafter may collect delinquent real estate taxes**
50 **and tax bills.**

67.1303. 1. The governing body of any home rule city with more than one hundred
2 fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred
3 inhabitants, any home rule city with more than forty-five thousand five hundred but less than

4 forty-five thousand nine hundred inhabitants and the governing body of any city within any
 5 county of the first classification with more than one hundred four thousand six hundred but less
 6 than one hundred four thousand seven hundred inhabitants and the governing body of any county
 7 of the third classification without a township form of government and with more than forty
 8 thousand eight hundred but less than forty thousand nine hundred inhabitants or any city within
 9 such county may impose, by order or ordinance, a sales tax on all retail sales made in the city or
 10 county which are subject to sales tax under chapter 144. In addition, the governing body of any
 11 county of the first classification with more than eighty-five thousand nine hundred but less than
 12 eighty-six thousand inhabitants or the governing body of any home rule city with more than
 13 seventy-three thousand but less than seventy-five thousand inhabitants may impose, by order or
 14 ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax
 15 under chapter 144. The tax authorized in this section shall not be more than one-half of one
 16 percent. The order or ordinance imposing the tax shall not become effective unless the
 17 governing body of the city or county submits to the voters of the city or county at a state general
 18 or primary election a proposal to authorize the governing body to impose a tax under this section.
 19 The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and
 20 shall be stated separately from all other charges and taxes.

21 2. The ballot of submission for the tax authorized in this section shall be in substantially
 22 the following form:

23 Shall (insert the name of the city or county) impose a sales tax at a rate
 24 of (insert rate of percent) percent for economic development purposes?

25 YES NO

26
 27 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor
 28 of the question, then the tax shall become effective on the first day of the second calendar quarter
 29 following the calendar quarter in which the election was held. If a majority of the votes cast on
 30 the question by the qualified voters voting thereon are opposed to the question, then the tax shall
 31 not become effective unless and until the question is resubmitted under this section to the
 32 qualified voters and such question is approved by a majority of the qualified voters voting on the
 33 question, provided that no proposal shall be resubmitted to the voters sooner than twelve months
 34 from the date of the submission of the last proposal.

35 3. No revenue generated by the tax authorized in this section shall be used for any retail
 36 development project. At least twenty percent of the revenue generated by the tax authorized in
 37 this section shall be used solely for projects directly related to long-term economic development
 38 preparation, including, but not limited to, the following:

39 (1) Acquisition of land;

- 40 (2) Installation of infrastructure for industrial or business parks;
41 (3) Improvement of water and wastewater treatment capacity;
42 (4) Extension of streets;
43 (5) Providing matching dollars for state or federal grants;
44 (6) Marketing;
45 (7) **Construction and operation of job training and educational facilities; and**
46 (8) Providing grants and low-interest loans to companies for job training, equipment
47 acquisition, site development, and infrastructure. Not more than twenty-five percent of the
48 revenue generated may be used annually for administrative purposes, including staff and facility
49 costs.

50 4. All revenue generated by the tax shall be deposited in a special trust fund and shall
51 be used solely for the designated purposes. If the tax is repealed, all funds remaining in the
52 special trust fund shall continue to be used solely for the designated purposes. Any funds in the
53 special trust fund which are not needed for current expenditures may be invested by the
54 governing body in accordance with applicable laws relating to the investment of other city or
55 county funds.

56 5. Any city or county imposing the tax authorized in this section shall establish an
57 economic development tax board. The board shall consist of eleven members, to be appointed
58 as follows:

59 (1) Two members shall be appointed by the school boards whose districts are included
60 within any economic development plan or area funded by the sales tax authorized in this section.
61 Such members shall be appointed in any manner agreed upon by the affected districts;

62 (2) One member shall be appointed, in any manner agreed upon by the affected districts,
63 to represent all other districts levying ad valorem taxes within the area selected for an economic
64 development project or area funded by the sales tax authorized in this section, excluding
65 representatives of the governing body of the city or county;

66 (3) One member shall be appointed by the largest public school district in the city or
67 county;

68 (4) In each city or county, five members shall be appointed by the chief elected officer
69 of the city or county with the consent of the majority of the governing body of the city or county;

70 (5) In each city, two members shall be appointed by the governing body of the county
71 in which the city is located. In each county, two members shall be appointed by the governing
72 body of the county. At the option of the members appointed by a city or county the members
73 who are appointed by the school boards and other taxing districts may serve on the board for a
74 term to coincide with the length of time an economic development project, plan, or designation

75 of an economic development area is considered for approval by the board, or for the definite
 76 terms as provided in this subsection. If the members representing school districts and other
 77 taxing districts are appointed for a term coinciding with the length of time an economic
 78 development project, plan, or area is approved, such term shall terminate upon final approval of
 79 the project, plan, or designation of the area by the governing body of the city or county. If any
 80 school district or other taxing jurisdiction fails to appoint members of the board within thirty
 81 days of receipt of written notice of a proposed economic development plan, economic
 82 development project, or designation of an economic development area, the remaining members
 83 may proceed to exercise the power of the board. Of the members first appointed by the city or
 84 county, three shall be designated to serve for terms of two years, three shall be designated to
 85 serve for a term of three years, and the remaining members shall be designated to serve for a term
 86 of four years from the date of such initial appointments. Thereafter, the members appointed by
 87 the city or county shall serve for a term of four years, except that all vacancies shall be filled for
 88 unexpired terms in the same manner as were the original appointments.

89 6. The board, subject to approval of the governing body of the city or county, shall
 90 develop economic development plans, economic development projects, or designations of an
 91 economic development area, and shall hold public hearings and provide notice of any such
 92 hearings. The board shall vote on all proposed economic development plans, economic
 93 development projects, or designations of an economic development area, and amendments
 94 thereto, within thirty days following completion of the hearing on any such plan, project, or
 95 designation, and shall make recommendations to the governing body within ninety days of the
 96 hearing concerning the adoption of or amendment to economic development plans, economic
 97 development projects, or designations of an economic development area.

98 7. The board shall report at least annually to the governing body of the city or county on
 99 the use of the funds provided under this section and on the progress of any plan, project, or
 100 designation adopted under this section.

101 8. The governing body of any city or county that has adopted the sales tax authorized in
 102 this section may submit the question of repeal of the tax to the voters on any date available for
 103 elections for the city or county. The ballot of submission shall be in substantially the following
 104 form:

105 Shall (insert the name of the city or county) repeal the sales tax
 106 imposed at a rate of (insert rate of percent) percent for economic development purposes?

107 YES NO

108

109 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become
 110 effective on December thirty-first of the calendar year in which such repeal was approved. If a
 111 majority of the votes cast on the question by the qualified voters voting thereon are opposed to
 112 the repeal, then the sales tax authorized in this section shall remain effective until the question
 113 is resubmitted under this section to the qualified voters of the city or county, and the repeal is
 114 approved by a majority of the qualified voters voting on the question.

115 9. Whenever the governing body of any city or county that has adopted the sales tax
 116 authorized in this section receives a petition, signed by ten percent of the registered voters of the
 117 city or county voting in the last gubernatorial election, calling for an election to repeal the sales
 118 tax imposed under this section, the governing body shall submit to the voters a proposal to repeal
 119 the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are
 120 in favor of the repeal, that repeal shall become effective on December thirty-first of the calendar
 121 year in which such repeal was approved. If a majority of the votes cast on the question by the
 122 qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until
 123 the question is resubmitted under this section to the qualified voters and the repeal is approved
 124 by a majority of the qualified voters voting on the question.

67.1521. 1. A district may levy by resolution one or more special assessments against
 2 real property within its boundaries, upon receipt of and in accordance with a petition signed by:

3 (1) Owners of real property collectively owning more than fifty percent by assessed value
 4 of real property within the boundaries of the district; and

5 (2) More than fifty percent per capita of the owners of all real property within the
 6 boundaries of the district.

7 2. The special assessment petition shall be in substantially the following form:

8 The (insert name of district) Community Improvement District
 9 ("District") shall be authorized to levy special assessments against real property benefited within
 10 the District for the purpose of providing revenue for (insert general description of
 11 specific service and/or projects) in the district, such special assessments to be levied against each
 12 tract, lot or parcel of real property listed below within the district which receives special benefit
 13 as a result of such service and/or projects, the cost of which shall be allocated among this
 14 property by (insert method of allocation, e.g., per square foot of property, per
 15 square foot on each square foot of improvement, or by abutting foot of property abutting streets,
 16 roads, highways, parks or other improvements, or any other reasonable method) in an amount
 17 not to exceed dollars per (insert unit of measure). Such authorization to levy the special
 18 assessment shall expire on (insert date). The tracts of land located in the district

19 which will receive special benefit from this service and/or projects are: (list of
20 properties by common addresses and legal descriptions).

21 3. The method for allocating such special assessments set forth in the petition may be
22 any reasonable method which results in imposing assessments upon real property benefited in
23 relation to the benefit conferred upon each respective tract, lot or parcel of real property and the
24 cost to provide such benefit.

25 4. By resolution of the board, the district may levy a special assessment rate lower than
26 the rate ceiling set forth in the petition authorizing the special assessment and may increase such
27 lowered special assessment rate to a level not exceeding the special assessment rate ceiling set
28 forth in the petition without further approval of the real property owners; provided that a district
29 imposing a special assessment pursuant to this section may not repeal or amend such special
30 assessment or lower the rate of such special assessment if such repeal, amendment or lower rate
31 will impair the district's ability to pay any liabilities that it has incurred, money that it has
32 borrowed or obligations that it has issued.

33 5. Each special assessment which is due and owing shall constitute a perpetual lien
34 against each tract, lot or parcel of property from which it is derived. Such lien may be foreclosed
35 in the same manner as any other special assessment lien as provided in section 88.861 **or, at the**
36 **option of the county collector and upon certification by the district for collection, each**
37 **special assessment may be added to the annual real estate tax bill for the property and**
38 **collected by the county collector in the same manner and procedure for collecting real**
39 **estate taxes. Each special assessment remaining unpaid on the first day of January**
40 **annually is delinquent and enforcement of collection of the delinquent bill by the county**
41 **collector shall be governed by the laws concerning delinquent and back taxes. The lien**
42 **may be foreclosed in the same manner as a tax upon real property by land tax sale**
43 **pursuant to chapter 140 or, if applicable to that county, chapter 141.**

44 6. A separate fund or account shall be created by the district for each special assessment
45 levied and each fund or account shall be identifiable by a suitable title. The proceeds of such
46 assessments shall be credited to such fund or account. Such fund or account shall be used solely
47 to pay the costs incurred in undertaking the specified service or project.

48 7. Upon completion of the specified service or project or both, the balance remaining in
49 the fund or account established for such specified service or project or both shall be returned or
50 credited against the amount of the original assessment of each parcel of property pro rata based
51 on the method of assessment of such special assessment.

52 8. Any funds in a fund or account created pursuant to this section which are not needed
53 for current expenditures may be invested by the board in accordance with applicable laws
54 relating to the investment of funds of the city in which the district is located.

55 9. The authority of the district to levy special assessments shall be independent of the
56 limitations and authorities of the municipality in which it is located; specifically, the provisions
57 of section 88.812 shall not apply to any district.

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