

HCS HB 161 -- POLITICAL SUBDIVISIONS (Gatschenberger)

COMMITTEE OF ORIGIN: Committee on Local Government

This substitute changes laws regarding political subdivisions. In its main provisions, the substitute:

(1) Authorizes a county to amend its budget twice during any fiscal year when there is a verifiable decline in funds of at least 2% that could not have been estimated or anticipated when the budget was adopted. Currently, a county is only authorized to amend its annual budget when it receives additional funds that could not be estimated. Any decrease in appropriations cannot unduly affect any one officeholder and cannot impact any dedicated fund authorized by law. The county must provide 30 days' notice of a public hearing regarding any amendment to the county budget, including a published summary of the proposed reductions and an explanation of the shortfall. Before any reduction affecting an elected officeholder can occur, negotiations must take place with all officeholders who receive funds from the affected category of funds in an attempt to cover the shortfall. County commissioners can reduce budgets of departments under their direct supervision and responsibility at any time without these restrictions. These provisions cannot restrict a charter county from amending its budget pursuant to the terms of its charter. These provisions will expire July 1, 2016;

(2) Authorizes the county commission of any county to adopt regulations regarding building codes, including permit, license, and inspection fees, and to establish a building commission to prepare the regulations as specified under Sections 64.170 to 64.200, RSMo. Currently, only the county commission of a county of the first or second classification has this authority. A structure used solely for certain specified agricultural purposes is exempted from the building code regulations;

(3) Authorizes the county collector in any county to collect a fee for the collection of a special assessment for delinquent property taxes and to foreclose on a lien on real property for unpaid property taxes by a judicial foreclosure proceeding;

(4) Repeals the current provision regarding the distribution of sales tax revenue when the county commission reduces a special road and bridge tax levy. The substitute specifies that each city, town, village, or special road district must continue to receive its share of the county's special road and bridge levy, if any, that is annually considered by the commission. If the annual special road and bridge levy is not set at a level of at least 14 cents on each \$100 assessed valuation, the commission must allocate

additional funds from any available county source in an amount that will, when combined with the special road and bridge levy revenues, allow it to distribute funds equal to the funding level of at least 14 cents on each \$100 assessed valuation. If at least 50% of a special road district is located in a city, town, or village, that entity must be entitled to receive the special road district's portion of any funds not paid through the special road and bridge levy. Currently, these provisions only apply to Cass, Clay, and Platte counties;

(5) Authorizes the governing bodies of Montgomery and Douglas counties and the cities of Montgomery City and Ava to impose, upon voter approval, a transient guest tax of not more than 5% per occupied room per night to be used for the promotion of tourism, growth of the region, and economic development;

(6) Establishes the STAR Bonds Financing Act which allows the governing body of a city or county to issue a bond that is to be repaid by the revenues received by the city or county from any transient guest tax and state and local sales and use taxes that are collected from taxpayers doing business within that portion of the city or county redevelopment district to retire a special obligation bond. A STAR bond is a sales tax revenue bond with a 20-year repayment period. Bonds issued under these provisions are not general obligations of the city or county nor do they give rise to a charge against the entity's general credit or taxing power, and the bonds must state this on its face;

(7) Specifies that a petition requesting a voluntary annexation only needs to be notarized instead of verified. Any action seeking to reverse, invalidate, set aside, or challenge a previous annexation must be brought within three years of the date of the adoption of the annexation ordinance except for an action to deannex an area or challenge an annexation for failure of the annexing municipality to provide required services to the area within three years which must be brought within four years from the adoption of the annexation ordinance. The fact that a petition requesting annexation is not or was not verified or notarized will not affect the validity of the annexation;

(8) Exempts certain voluntary annexations from boundary commission review in St. Louis County. The annexation is not prohibited by the existence of an established unincorporated area;

(9) Authorizes the city council of the City of Farmington, in addition to adopting and repealing ordinances by council vote, to adopt or repeal any ordinance by submitting the proposed ordinance to the registered voters of the city at the next municipal election;

(10) Specifies that museum districts can only be created in an area where a majority of the property is located within a disaster area and authorizes the board of a museum district to impose, upon voter approval, a sales tax to repair cultural assets within the district. The board is also authorized to impose, upon voter approval, an admission fee of up to \$1 for designated purposes;

(11) Specifies that the State Auditor may audit each transportation development district (TDD) no more than once every three years and limits the cost of the audit that the TDD must pay to no more than the greater of 3% of the gross receipts received by the TDD or 3% of its expenditures. Currently, the State Auditor must audit each TDD at least once every three years and may audit more frequently if he or she deems appropriate with the costs of the audit paid by the district;

(12) Requires a water supply district established under Chapter 247, and located in St. Charles County, to be under the administration of the Missouri Public Service Commission for rates, charges, or other fees;

(13) Allows an employee of a fire protection or ambulance district to serve as a board member of a fire protection or ambulance district if the district is not in the same county or is not adjacent to the district where he or she is employed. Currently, an employee of a fire protection district or ambulance district is not allowed to serve as a board member of any fire protection or ambulance district while employed by any fire protection or ambulance district unless serving on a voluntary board;

(14) Specifies that a fire protection district located in both Greene and Webster counties and serving the City of Strafford will continue serving property owners annexed by a city having a population of 40,000 inhabitants or more, which currently only applies to the Strafford Fire Protection District and the City of Springfield. Currently, when a city with 40,000 or more inhabitants which is not located wholly within a fire protection district and which operates its own fire department, annexes property within a fire protection district, the property is excluded from the fire protection district; and

(15) Removes the provision that requires fire protection districts located in Greene County to have an audit performed every two years in conformance with rules established by the State Auditor.