

SECOND REGULAR SESSION

HOUSE BILL NO. 2557

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BERRY.

6495H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.1421, 67.1422, and 67.1461, RSMo, and to enact in lieu thereof three new sections relating to community improvement districts.

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

Section A. Sections 67.1421, 67.1422, and 67.1461, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1422, and 67.1461, to read as follows:

67.1421. 1. Upon receipt of a proper petition filed with its municipal clerk, the governing body of the municipality in which the proposed district is located shall hold a public hearing in accordance with section 67.1431 and may adopt an ordinance to establish the proposed district.

2. A petition is proper if, based on the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county, as of the time of filing the petition with the municipal clerk, it meets the following requirements:

(1) It has been signed by property owners collectively owning more than fifty percent by assessed value of the real property within the boundaries of the proposed district;

(2) It has been signed by more than fifty percent per capita of all owners of real property within the boundaries of the proposed district; and

(3) It contains the following information:

(a) The legal description of the proposed district, including a map illustrating the district boundaries;

(b) The name of the proposed district;

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16 (c) A notice that the signatures of the signers may not be withdrawn later than seven days
17 after the petition is filed with the municipal clerk;

18 (d) A five-year plan stating a description of the purposes of the proposed district, the
19 services it will provide, the improvements it will make and an estimate of costs of these services
20 and improvements to be incurred;

21 (e) A statement as to whether the district will be a political subdivision or a not-for-profit
22 corporation and if it is to be a not-for-profit corporation, the name of the not-for-profit
23 corporation;

24 (f) If the district is to be a political subdivision, a statement as to whether the district will
25 be governed by a board elected by the district or whether the board will be appointed by the
26 municipality, and, if the board is to be elected by the district, the names and terms of the initial
27 board may be stated;

28 (g) If the district is to be a political subdivision, the number of directors to serve on the
29 board;

30 (h) The total assessed value of all real property within the proposed district;

31 (i) A statement as to whether the petitioners are seeking a determination that the
32 proposed district, or any legally described portion thereof, is a blighted area;

33 (j) The proposed length of time for the existence of the district;

34 (k) The maximum rates of real property taxes, and, business license taxes in the county
35 seat of a county of the first classification without a charter form of government containing a
36 population of at least two hundred thousand, that may be submitted to the qualified voters for
37 approval;

38 (l) The maximum rates of special assessments and respective methods of assessment that
39 may be proposed by petition;

40 (m) The limitations, if any, on the borrowing capacity of the district;

41 (n) The limitations, if any, on the revenue generation of the district;

42 (o) Other limitations, if any, on the powers of the district;

43 (p) A request that the district be established; and

44 (q) Any other items the petitioners deem appropriate;

45 (4) The signature block for each real property owner signing the petition shall be in
46 substantially the following form and contain the following information: Name of owner:
47 Owner's telephone number and mailing address:
48 . If signer is different from owner: Name of signer: State basis of
49 legal authority to sign: Signer's telephone number and mailing address: .
50 If the owner is an individual, state if owner is single or married:
51 If owner is not an individual, state what type of entity: . . . Map and

52 parcel number and assessed value of each tract of real property within the proposed district
 53 owned: By executing this petition, the undersigned represents and warrants that he
 54 or she is authorized to execute this petition on behalf of the property owner named immediately
 55 above Signature of person signing for owner Date
 56 STATE OF MISSOURI)

57) ss. COUNTY OF)

58 Before me personally appeared, to me personally known to be the
 59 individual described in and who executed the foregoing instrument.

60 WITNESS my hand and official seal this day of (month),
 61 (year).

62

63 Notary Public My Commission Expires:; and

64 (5) Alternatively, the governing body of any home rule city with more than four hundred
 65 thousand inhabitants and located in more than one county may file a petition to initiate the
 66 process to establish a district in the portion of the city located in any county of the first
 67 classification with more than two hundred thousand but fewer than two hundred sixty thousand
 68 inhabitants containing the information required in subdivision (3) of this subsection; provided
 69 that the only funding methods for the services and improvements will be a **sales and use tax or**
 70 **a real property tax.**

71 3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not to
 72 exceed ninety days after receipt of the petition, review and determine whether the petition
 73 substantially complies with the requirements of subsection 2 of this section. In the event the
 74 municipal clerk receives a petition which does not meet the requirements of subsection 2 of this
 75 section, the municipal clerk shall, within a reasonable time, return the petition to the submitting
 76 party by hand delivery, first class mail, postage prepaid or other efficient means of return and
 77 shall specify which requirements have not been met.

78 4. After the close of the public hearing required pursuant to subsection 1 of this section,
 79 the governing body of the municipality may adopt an ordinance approving the petition and
 80 establishing a district as set forth in the petition and may determine, if requested in the petition,
 81 whether the district, or any legally described portion thereof, constitutes a blighted area. If the
 82 petition was filed by the governing body of a municipality pursuant to subdivision (5) of
 83 subsection 2 of this section, after the close of the public hearing required pursuant to subsection
 84 1 of this section, the petition may be approved by the governing body and an election shall be
 85 called pursuant to section 67.1422.

86 5. Amendments to a petition may be made which do not change the proposed boundaries
 87 of the proposed district if an amended petition meeting the requirements of subsection 2 of this

88 section is filed with the municipal clerk at the following times and the following requirements
89 have been met:

90 (1) At any time prior to the close of the public hearing required pursuant to subsection
91 1 of this section; provided that, notice of the contents of the amended petition is given at the
92 public hearing;

93 (2) At any time after the public hearing and prior to the adoption of an ordinance
94 establishing the proposed district; provided that, notice of the amendments to the petition is
95 given by publishing the notice in a newspaper of general circulation within the municipality and
96 by sending the notice via registered certified United States mail with a return receipt attached to
97 the address of record of each owner of record of real property within the boundaries of the
98 proposed district per the tax records of the county clerk, or the collector of revenue if the district
99 is located in a city not within a county. Such notice shall be published and mailed not less than
100 ten days prior to the adoption of the ordinance establishing the district;

101 (3) At any time after the adoption of any ordinance establishing the district a public
102 hearing on the amended petition is held and notice of the public hearing is given in the manner
103 provided in section 67.1431 and the governing body of the municipality in which the district is
104 located adopts an ordinance approving the amended petition after the public hearing is held.

105 6. Upon the creation of a district, the municipal clerk shall report in writing the creation
106 of such district to the Missouri department of economic development.

67.1422. 1. Notwithstanding sections 67.1531, 67.1545, and 67.1551, if the petition was
2 filed pursuant to subdivision (5) of subsection 2 of section 67.1421 by a governing body of the
3 city, the governing body may adopt an ordinance approving the petition and submit a ballot to
4 the qualified voters of the district[;] . The question shall be in substantially the following form:

5 Shall the community improvement district to be known as the ".....
6 Community Improvement District" approved by the (insert governing body) be
7 established for the purpose of (here summarize the proposed improvements and services) and
8 be authorized to impose a real property tax upon (all real property) within the district at a rate
9 of not more than ten cents per hundred dollars assessed valuation for a period of ten years from
10 the date on which such tax is first imposed for the purpose of providing revenue for
11 (insert general description of purpose) in the district?

12 YES NO

13

14 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
15 to the question, place an "X" in the box opposite "NO"; or

16 **Shall the community improvement district to be known as the ".....**
17 **Community Improvement District" approved by the (insert governing body) be**

18 established for the purpose of ... (here summarize the proposed improvements and
19 services) and be authorized to impose a sales and use tax within the district at a maximum
20 rate of (insert amount) for a period of (insert number) years from the date on
21 which such tax is first imposed for the purpose of providing revenue for (insert
22 general description of purpose) in the district?

23 YES NO

24

25 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
26 opposed to the question, place an "X" in the box opposite "NO".

27

28 The governing body of the city shall not submit the question to the qualified voters of the district
29 on more than one occasion.

30 2. Within ten days after the qualified voters have approved the imposition of the
31 sales and use tax, the district shall, in accordance with section 32.087, notify the director
32 of the department of revenue. The sales and use tax authorized by this section shall
33 become effective on the first day of the second calendar quarter after the director of the
34 department of revenue receives notice of the adoption of such tax.

35 3. The director of the department of revenue shall collect any tax adopted under
36 this section pursuant to section 32.087.

37 4. In each district in which a sales and use tax is imposed under this section, every
38 retailer shall add such additional tax imposed by the district to such retailer's sale price,
39 and such tax shall constitute a part of the purchase price, shall be a debt of the purchaser
40 to the retailer until paid and shall be recoverable at law in the same manner as the
41 purchase price.

42 5. In order to allow retailers to collect and report the sales and use tax authorized
43 under this section as well as all other sales and use taxes required by law in the simplest
44 and most efficient manner possible, a district may establish appropriate brackets to be
45 used in the district imposing a tax pursuant to this section in lieu of the brackets under
46 section 144.285.

47 6. The penalties under sections 144.010 to 144.525 shall apply to violations of this
48 section.

49 7. All revenue received by the district from a sales and use tax imposed under this
50 section that is designated for a specific purpose shall be deposited into a special trust fund
51 and expended solely for such purpose. Upon the expiration of any sales and use tax
52 adopted under this section, all funds remaining in the special trust fund shall continue to
53 be used solely for the specific purpose designated in the resolution adopted by the qualified

54 voters. Any funds in such special trust fund that are not needed for current expenditures
55 may be invested by the board of directors under applicable laws relating to the investment
56 of other district funds.

57 **8. A district may repeal by resolution any sales and use tax imposed under this**
58 **section before the expiration date of such sales and use tax unless the repeal of such sales**
59 **and use tax will impair the district's ability to repay any liabilities the district has incurred,**
60 **moneys the district has borrowed, or obligations the district has issued to finance any**
61 **improvements or services rendered for the district.**

62 **9. The maximum rate of the sales and use tax that may be imposed under this**
63 **section shall be one percent.**

64 **10.** A district levying a real property tax pursuant to this section may repeal or amend
65 such real property tax or lower the tax rate of such tax if such repeal, amendment or lower rate
66 will not impair the district's ability to repay any liabilities which it has incurred, money which
67 it has borrowed or obligations that it has issued to finance any improvements or services
68 rendered within the district.

69 [3.] **11.** An election conducted under this section may be conducted in accordance with
70 the provisions of chapter 115 or by mail-in ballot.

67.1461. 1. Each district shall have all the powers, except to the extent any such power
2 has been limited by the petition approved by the governing body of the municipality to establish
3 the district, necessary to carry out and effectuate the purposes and provisions of sections 67.1401
4 to 67.1571 including, but not limited to, the following:

5 (1) To adopt, amend, and repeal bylaws, not inconsistent with sections 67.1401 to
6 67.1571, necessary or convenient to carry out the provisions of sections 67.1401 to 67.1571;

7 (2) To sue and be sued;

8 (3) To make and enter into contracts and other instruments, with public and private
9 entities, necessary or convenient to exercise its powers and carry out its duties pursuant to
10 sections 67.1401 to 67.1571;

11 (4) To accept grants, guarantees and donations of property, labor, services, or other
12 things of value from any public or private source;

13 (5) To employ or contract for such managerial, engineering, legal, technical, clerical,
14 accounting, or other assistance as it deems advisable;

15 (6) To acquire by purchase, lease, gift, grant, bequest, devise, or otherwise, any real
16 property within its boundaries, personal property, or any interest in such property;

17 (7) To sell, lease, exchange, transfer, assign, mortgage, pledge, hypothecate, or otherwise
18 encumber or dispose of any real or personal property or any interest in such property;

19 (8) To levy and collect special assessments and taxes as provided in sections 67.1401
20 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from
21 taxation pursuant to subdivision (5) of section 137.100. Those exempt pursuant to subdivision
22 (5) of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to
23 67.1571;

24 (9) If the district is a political subdivision, to levy real property taxes and business
25 license taxes in the county seat of a county of the first classification containing a population of
26 at least two hundred thousand, as provided in sections 67.1401 to 67.1571. However, no such
27 assessments or taxes shall be levied on any property exempt from taxation pursuant to
28 subdivisions (2) and (5) of section 137.100. Those exempt pursuant to subdivisions (2) and (5)
29 of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

30 (10) If the district is a political subdivision, to levy sales taxes pursuant to sections
31 67.1401 to 67.1571;

32 (11) To fix, charge, and collect fees, rents, and other charges for use of any of the
33 following:

34 (a) The district's real property, except for public rights-of-way for utilities;

35 (b) The district's personal property, except in a city not within a county; or

36 (c) Any of the district's interests in such real or personal property, except for public
37 rights-of-way for utilities;

38 (12) To borrow money from any public or private source and issue obligations and
39 provide security for the repayment of the same as provided in sections 67.1401 to 67.1571;

40 (13) To loan money as provided in sections 67.1401 to 67.1571;

41 (14) To make expenditures, create reserve funds, and use its revenues as necessary to
42 carry out its powers or duties and the provisions and purposes of sections 67.1401 to 67.1571;

43 (15) To enter into one or more agreements with the municipality for the purpose of
44 abating any public nuisance within the boundaries of the district including, but not limited to,
45 the stabilization, repair or maintenance or demolition and removal of buildings or structures,
46 provided that the municipality has declared the existence of a public nuisance;

47 (16) Within its boundaries, to provide assistance to or to construct, reconstruct, install,
48 repair, maintain, and equip any of the following public improvements:

49 (a) Pedestrian or shopping malls and plazas;

50 (b) Parks, lawns, trees, and any other landscape;

51 (c) Convention centers, arenas, aquariums, aviaries, and meeting facilities;

52 (d) Sidewalks, streets, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic
53 signs and signals, utilities, drainage, water, storm and sewer systems, and other site
54 improvements;

- 55 (e) Parking lots, garages, or other facilities;
- 56 (f) Lakes, dams, and waterways;
- 57 (g) Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees,
58 awnings, canopies, walls, and barriers;
- 59 (h) Telephone and information booths, bus stop and other shelters, rest rooms, and
60 kiosks;
- 61 (i) Paintings, murals, display cases, sculptures, and fountains;
- 62 (j) Music, news, and child-care facilities; and
- 63 (k) Any other useful, necessary, or desired improvement;
- 64 (17) To dedicate to the municipality, with the municipality's consent, streets, sidewalks,
65 parks, and other real property and improvements located within its boundaries for public use;
- 66 (18) Within its boundaries and with the municipality's consent, to prohibit or restrict
67 vehicular and pedestrian traffic and vendors on streets, alleys, malls, bridges, ramps, sidewalks,
68 and tunnels and to provide the means for access by emergency vehicles to or in such areas;
- 69 (19) Within its boundaries, to operate or to contract for the provision of music, news,
70 child-care, or parking facilities, and buses, minibuses, or other modes of transportation;
- 71 (20) Within its boundaries, to lease space for sidewalk café tables and chairs;
- 72 (21) Within its boundaries, to provide or contract for the provision of security personnel,
73 equipment, or facilities for the protection of property and persons;
- 74 (22) Within its boundaries, to provide or contract for cleaning, maintenance, and other
75 services to public and private property;
- 76 (23) To produce and promote any tourism, recreational or cultural activity or special
77 event in the district by, but not limited to, advertising, decoration of any public place in the
78 district, promotion of such activity and special events, and furnishing music in any public place;
- 79 (24) To support business activity and economic development in the district including,
80 but not limited to, the promotion of business activity, development and retention, and the
81 recruitment of developers and businesses;
- 82 (25) To provide or support training programs for employees of businesses within the
83 district;
- 84 (26) To provide refuse collection and disposal services within the district;
- 85 (27) To contract for or conduct economic, planning, marketing or other studies;
- 86 (28) To repair, restore, or maintain any abandoned cemetery on public or private land
87 within the district; and
- 88 (29) To carry out any other powers set forth in sections 67.1401 to 67.1571.
- 89 2. Each district which is located in a blighted area or which includes a blighted area shall
90 have the following additional powers:

91 (1) Within its blighted area, to contract with any private property owner to demolish and
92 remove, renovate, reconstruct, **construct**, or rehabilitate any building [or] , structure, **or**
93 **improvement** owned by such private property owner; and

94 (2) To expend its revenues or loan its revenues pursuant to a contract entered into
95 pursuant to this subsection, provided that the governing body of the municipality has determined
96 that the action to be taken pursuant to such contract is reasonably anticipated to remediate the
97 blighting conditions and will serve a public purpose.

98 3. Each district shall annually reimburse the municipality for the reasonable and actual
99 expenses incurred by the municipality to establish such district and review annual budgets and
100 reports of such district required to be submitted to the municipality; provided that, such annual
101 reimbursement shall not exceed one and one-half percent of the revenues collected by the district
102 in such year.

103 4. Nothing in sections 67.1401 to 67.1571 shall be construed to delegate to any district
104 any sovereign right of municipalities to promote order, safety, health, morals, and general
105 welfare of the public, except those such police powers, if any, expressly delegated pursuant to
106 sections 67.1401 to 67.1571.

107 5. The governing body of the municipality establishing the district shall not decrease the
108 level of publicly funded services in the district existing prior to the creation of the district or
109 transfer the financial burden of providing the services to the district unless the services at the
110 same time are decreased throughout the municipality, nor shall the governing body discriminate
111 in the provision of the publicly funded services between areas included in such district and areas
112 not so included.

✓