

CCS#2 SCS HCS HB 1035 -- POLITICAL SUBDIVISIONS

(Vetoed by the Governor--Overridden by the General Assembly)

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

(1) Establishes the Rebuild Damaged Infrastructure Program to provide funding for the reconstruction, replacement, or renovation of or repair to any infrastructure damaged by a presidentially declared natural disaster including, but not limited to, the physical components of interrelated systems providing essential commodities and services to the public including transportation, communication, sewage, water, and electric systems as well as public elementary and secondary school buildings. On July 1, 2013, \$10 million from the Insurance Dedicated Fund and \$4 million from the Health and Educational Facilities Authority must be transferred into the newly created Rebuild Damaged Infrastructure Fund to be used solely for the purposes of the program. Any moneys in excess of \$15 million in the Rebuild Damaged Infrastructure Fund must be transferred into the General Revenue Fund. On July 1, beginning with Fiscal Year 2014, \$500,000 from the Insurance-Dedicated Fund must be annually transferred into the General Revenue Fund (Sections 33.080, 33.295, 360.045, and 374.150, RSMo);

(2) Requires, prior to any assessment being levied against any real property and specified liens against real property being imposed within a neighborhood improvement district, the county or city clerk of the governing body establishing the district to record a document with the recorder of deeds in the county where the land is located that contains each owner of record of property within the district at the time of recording who must be identified as grantors and indexed by the recorder, the governing body establishing the district and the title of any official or agency responsible for collecting or enforcing any assessments identified as grantees and indexed by the recorder, the legal description of the property within the district, and the identifying number or a copy of the resolution or ordinance establishing the district (Section 67.457);

(3) Authorizes the county collector in Jackson County to assess a fee for the collection of special property assessments in a neighborhood improvement district. Currently, only the Boone County collector can assess this fee (Section 67.463);

(4) Specifies that a lien on property for an unpaid special assessment in a neighborhood improvement district in specified first classification counties, charter counties, and the City of St. Louis may also be foreclosed in the same manner as a tax upon

real property by a land tax sale under Chapter 141. Currently, these liens may only be foreclosed in the same manner as a tax upon real property by a land tax sale under Chapter 140 or by a judicial foreclosure proceeding (Section 67.469);

(5) Allows an island of unincorporated area within a municipality that is contiguous to more than one municipality or contiguous to the Missouri River and the Blue River to be annexed by an abutting municipality by enacting an ordinance describing the metes and bounds of the property, declaring it is to be annexed, and stating the reasons for and the purposes to be accomplished by the annexation. The annexation will become effective unless the governing body of Jackson County passes an ordinance disapproving the annexation within 30 days. Any annexation must exclude any property within the unincorporated area of 10 acres or more that has been owned by the same family for at least 60 consecutive years (Section 71.011);

(6) Prohibits a city in which a hospital is located that is organized and operated under Chapter 96, that has not received money from the city during the prior 20 years, and is licensed by the Department of Health and Senior Services for 200 or more beds from selling, leasing, or otherwise transferring all or substantially all of the property without a resolution adopted by at least two-thirds of the members of the board of trustees, a majority vote of the city council, and the approval of the voters of the city. If voters fail to approve the measure, the question may not be resubmitted to the voters sooner than 12 months from the date of the last question, after the adoption of another resolution by at least two-thirds of the board of trustees, and a subsequent vote by a majority of the city council to submit the question to the voters again. The criteria for the sale of the property, the payment of interest and principal on outstanding debt, and the use of assets donated to the hospital are specified in the bill (Section 96.229);

(7) Includes payments in lieu of taxes imposed on sales for the purpose of operating and maintaining a metropolitan park and recreation district or the taxes imposed on sales pursuant to Section 650.399 for emergency communication systems in St. Louis County for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 28, 2013, to those funds that are not required to be deposited in specified segregated accounts within the special allocation fund by municipal financial officers (Section 99.845);

(8) Allows a taxing authority to submit an amended property tax rate filing with an explanation for the needed changes to the State Auditor's Office if the forms were incorrectly completed or if

there was a clerical error. The State Auditor's Office must take into consideration the amended forms in determining if the tax rate complies with state law (Section 137.073);

(9) Requires the assessed valuation of any tractor or trailer used in interstate commerce to be apportioned to Missouri based on the ratio of miles traveled in-state to miles traveled in the United States during the preceding tax year or on the basis of the most recent annual mileage figures available for property tax assessed valuation purposes (Sections 137.090 and 137.095);

(10) Requires a county assessor to perform a physical inspection if he or she uses a value that is greater than the average trade-in value in determining the true value of a motor vehicle unless the vehicle's model year is two years old or newer (Section 137.115);

(11) Repeals the expiration date of December 31, 2015, from the provisions requiring certain counties and the City of St. Louis to deduct an additional percentage of all property tax collections to be deposited into the county's assessment fund for payment of assessment costs. The percentage deducted is either .125% or .5% and the income limits are \$125,000 in any year for first classification and charter counties and \$75,000 for second, third, and fourth classification counties. If the commission withholds state assessment reimbursement funds from a county for three consecutive quarters due to noncompliance, the extra .125% or .5% collection revenues in the county assessment fund will be forfeited and returned by the county to the political subdivisions within the county (Section 137.720);

(12) Requires the State Tax Commission to assign a hearing officer no later than 60 days after an appeal is filed by a taxpayer regarding a decision by the local board of equalization regarding property assessment if no scheduling order has been issued (Section 138.431); and

(13) Specifies that the State Auditor may audit each transportation development district not more than once every three years with the cost of the audit that the district must pay limited to not more than 3% of the gross receipts received by the district. Currently, the State Auditor must audit each district at least once every three years and may audit more frequently if the auditor deems appropriate with the costs of the audit paid by the district (Section 238.272).

The provisions of the bill regarding the Rebuild Damaged Infrastructure Program will expire on June 30, 2014.

The provisions of the bill regarding the Rebuild Damaged

Infrastructure Program and the provisions regarding the sale, lease, or transfer of the property of specified hospitals contain an emergency clause.