

HOUSE BILL NO. 1378

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BLACK (137).

2731H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 71, RSMo, by adding thereto one new section relating to broadband infrastructure improvement districts.

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

Section A. Chapter 71, RSMo, is amended by adding thereto one new section, to be known as section 71.1000, to read as follows:

71.1000. 1. For purposes of this section, the following terms mean:

(1) "Broadband", as such term is defined by the Federal Communications Commission or twenty-five megabits per second download speed/three megabits per second upload speed, whichever is faster;

(2) "Partnering entity" or "Partnering entities", any municipality, municipal utility, electric cooperative, or public utility providing services within the state.

2. Notwithstanding any provision of law to the contrary, partnering entities shall have the authority to provide and perform the services described in this section.

3. Two or more partnering entities may elect to form a broadband infrastructure improvement district or partnership, as described in this section, for the delivery of broadband internet service to the residents of a municipality or service area.

4. A district created under this section shall have the authority to contract with a broadband internet service provider to provide broadband internet service to the residents of the district.

5. If the partnering entities are all municipalities, the following provisions apply:

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 (1) Each municipality electing to form a district under this section shall submit to
17 the eligible voters of each such municipality a proposition at an annual or special election
18 of such municipality, in substantially the following form:

19 "Shall the municipality of _____ enter into a broadband infrastructure
20 improvement district to be known as _____?";

21 (2) Any district formed under this section shall be a body politic and corporate;

22 (3) Additional municipalities may be admitted to the district in the manner
23 provided in subdivision (7) of this subsection;

24 (4) A district may finance the provision or expansion of broadband internet service
25 through grants, loans, bonds, user fees, or a tax as set forth in subdivision (5) of this
26 subsection;

27 (5) (a) Any district formed under subdivision (1) of this section may impose by
28 resolution a sales tax on all retail sales made in such district that are subject to taxation
29 pursuant to sections 144.010 to 144.525. The sales tax imposed pursuant to this subsection
30 shall not exceed one percent, except that such tax shall not become effective unless the
31 governing body of each municipality member of the district submits to the voters of such
32 municipality at an election held on the first Tuesday after the first Monday in November
33 of even-numbered years, a proposal to authorize the district to impose a tax under the
34 provisions of this subsection. The tax authorized by this subsection shall be in addition to
35 any and all taxes imposed by law, and the proceeds of such tax shall be used solely to
36 provide broadband service to residents of the district. Such tax shall be stated separately
37 from all other charges and taxes;

38 (b) The ballot shall be in substantially the following form:

39 "Shall the _____ (insert name of the district) impose a district-wide sales
40 tax at the rate of _____ (insert amount) for the purpose of providing
41 broadband service to residents of the district?

42 YES NO

43

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

46

47 If a majority of the votes cast on the question by the qualified voters voting thereon in each
48 municipality are in favor of the question, the tax shall become effective on the first day of
49 the calendar quarter following the calendar quarter in which the election was held. If a
50 majority of the votes cast on the question by the qualified voters voting thereon in any one

51 municipality are opposed to the question, the governing body for the district shall have no
52 authority to impose the tax authorized by this subsection;

53 (c) The director of the department of revenue shall collect any tax adopted
54 pursuant to this section pursuant to section 32.087;

55 (6) (a) The district governing board shall be composed of at least one
56 representative from each member, but in no case shall there be fewer than four
57 representatives;

58 (b) Annually, on or before the last Monday in April commencing in the year
59 following the effective date of the district's creation, the local governing body of each
60 member shall appoint a representative to the district governing board for one-year terms.
61 The local governing body of a member, by majority vote, may replace its appointed
62 representative at any time;

63 (c) For the purpose of transacting business, the presence of representatives
64 representing more than fifty percent of district members shall constitute a quorum. Any
65 action adopted by a majority of the votes cast at a meeting of the governing board at which
66 a quorum is present shall be the action of the board;

67 (d) Each district member's representative shall be entitled to cast one vote;

68 (e) Unless replaced as provided in paragraph (b) of this subdivision, a
69 representative on the governing board shall hold office until his or her successor is duly
70 appointed. Any representative may be reappointed to successive terms without limit;

71 (f) Any vacancy on the board shall be filled within thirty days after such vacancy
72 occurs by appointment of the local governing body that appointed the representative whose
73 position has become vacant. An appointee to a vacancy shall serve until the expiration of
74 the term of the representative whose position to the appointment was made and may
75 thereafter be reappointed;

76 (g) Each district member may reimburse its representative to the governing board
77 for expenses as it determines reasonable;

78 (h) a. The officers of the district shall be the chair and the vice chair of the board,
79 the clerk of the district, and the treasurer of the district;

80 b. The chair shall preside at all meetings of the board and shall make and sign all
81 contracts on behalf of the district upon approval by the board. The chair shall perform
82 all duties incident to the position and office;

83 c. During the absence of or inability of the chair to render or perform his or her
84 duties or exercise his or her powers, the same shall be performed and exercised by the vice
85 chair and when so acting, the vice chair shall have all the powers and be subject to all the
86 responsibilities hereby given to or imposed upon the chair;

87 d. During the absence or inability of the vice chair to render or perform his or her
88 duties or exercise his or her powers, the board shall elect from among its membership an
89 acting vice chair who shall have the powers and be subject to all the responsibilities hereby
90 given to or imposed upon the vice chair;

91 e. Upon the death, disability, resignation, or removal of the chair or vice chair, the
92 board shall elect a successor to such vacant office until the next annual meeting;

93 (i) The board shall adopt bylaws for the regulation of its affairs and the conduct
94 of its business;

95 (7) The board may authorize the inclusion of additional district members in the
96 broadband infrastructure improvement district upon such terms and conditions as in the
97 board's sole discretion shall deem to be fair, reasonable, and in the best interests of the
98 district. The local governing body of any nonmember municipality that desires to be
99 admitted to the district shall make application for admission to the board. The board shall
100 determine the financial, economic, governance, and operational effects that are likely to
101 occur if such municipality is admitted and thereafter either grant or deny authority for
102 admission of the petitioning municipality. If the board grants such authority, it shall also
103 specify any terms and conditions, including financial obligations, upon which such
104 admission is predicated. Upon resolution of the board, such applicant municipality shall
105 become a district member;

106 (8) A district member may withdraw from the district in the same manner as the
107 vote for admission to the district set forth in subdivision (7) of this subsection.

108 6. If any of the partnering entities include a municipal utility, electric cooperative,
109 or a public utility, the following provisions apply:

110 (1) The partnering entities may enter into an agreement to create a broadband
111 infrastructure partnership, which is authorized to construct and maintain broadband
112 infrastructure partnership;

113 (2) Partnering entities may provide broadband internet services within the
114 corporate limits or service territory of any partnering entities. Partnering entities may also
115 provide broadband internet services within a two-mile radius of the corporate limits or
116 service territory of a partnering entity if seventy percent of the area does not have
117 broadband services otherwise available;

118 (3) A partnership formed under this subsection may finance the provision or
119 expansion of broadband internet service through grants, loans, bonds, user fees, or any
120 other financing methods that do not negatively impact the cost of service provided to the
121 partnering entities' residents, customers, or rate-payers.

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