AN ACT

To repeal section 71.1000, RSMo, and to enact in lieu thereof 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Section A. Section 71.1000, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 71.1000, to read as follows:

71.1000. 1. Two or more municipalities political subdivisions may elect to form a broadband infrastructure improvement district for the delivery of broadband internet service to the residents of such municipality political subdivision, which district shall be a body politic and corporate.

2. A municipality political subdivision electing to form or join a broadband infrastructure improvement district under this section shall submit to the eligible voters of each such municipality political subdivision a proposition at a general or special election of such municipality political subdivision, in substantially the following form:

"Shall [the municipality of] _________ (insert name of political subdivision) enter into a broadband infrastructure improvement district to be known as _____________?"

☐ YES ☐ NO

3. Additional municipalities political subdivisions and private partnering entities may be admitted to the district in the manner provided in subsection 8 and 9 of this section.

4. A district created under this section shall have the power to partner with a telecommunications company or broadband service provider in order to construct or improve

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.
telecommunications facilities which [shall] may be wholly or partially owned and operated by the telecommunications company or broadband service provider, as the terms "telecommunications company" and "telecommunications facilities" are defined in section 386.020 and subject to the provisions of section 392.410, that are in an unserved or underserved area, as defined in section 620.2450, to the residents of the district. Before any facilities are improved or constructed as a result of this section, the area shall be certified as unserved or underserved by the director of broadband development within the department of economic development.

5. A district may finance the provision or expansion of broadband internet service through grants, loans, bonds, user fees, or a tax as set forth in subsection 6 of this section.

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

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

"Shall the [insert name of district] impose a districtwide sales tax at the rate of [insert amount] for the purpose of providing broadband services to residents of the district?"

☐ YES ☐ NO

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

If a majority of the votes cast on the question by the qualified voters voting thereon in each [municipality] political subdivision are in favor of the question, then the tax shall become effective on the first day of the calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon in any one [municipality] political subdivision are opposed to the question, then the governing body for the district shall have no power to impose the tax authorized by this subsection.
The director of the department of revenue shall collect any tax adopted pursuant to this section pursuant to section 32.087.

7. (1) The district governing board shall be composed of at least one representative from each member, but in no case shall there be less than four representatives.

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

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

(4) Each district member's representative shall be entitled to cast one vote.

(5) Unless replaced as provided in subdivision (2) of this subsection, a representative on the governing board shall hold office until his or her successor is duly appointed. Any representative may be reappointed to successive terms without limit.

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

(7) Each district member may reimburse its representative to the governing board for expenses as it determines reasonable.

(8) (a) The officers of the district shall be the chair and the vice chair of the board, the clerk of the district, and the treasurer of the district.

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

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

(d) During the absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its membership an acting vice chair who shall have the powers and be subject to all the responsibilities hereby given or imposed upon the vice chair.
(e) Upon the death, disability, resignation, or removal of the chair or vice chair, the board shall elect a successor to such vacant office until the next annual meeting.

(9) The board shall adopt bylaws for the regulation of its affairs and the conduct of its business.

8. (1) The board may authorize the inclusion of additional political subdivisions in the broadband infrastructure improvement district upon such terms and conditions as in the board's sole discretion shall be deemed to be fair, reasonable, and in the best interests of the district.

(2) Prior to applying for admission to a broadband infrastructure improvement district, a political subdivision electing to join a district shall submit to the eligible voters of the political subdivision a proposition at a general or special election of such political subdivision, in substantially the following form:

"Shall the municipality of _________ (insert name of the political subdivision) join the broadband infrastructure improvement district known as _______________?"

☐ YES ☐ NO

The local governing body of any nonmember political subdivision which desires to be admitted to the district shall make application for admission to the board after an affirmative result from such election.

(3) The board shall determine the financial, economic, governance, and operational effects that are likely to occur if such political subdivision is admitted and thereafter either grant or deny authority for admission of the petitioning political subdivision. If the board grants such authority, it shall also specify any terms and conditions, including financial obligations, upon which such admission is predicated. Upon resolution of the board, such applicant shall become a district member.

9. (1) The board may authorize the inclusion of a private partnering entity or entities in the broadband improvement district upon such terms and conditions as in the board's sole discretion shall be deemed to be fair, reasonable, and in the best interests of the district. The private partnering entity which desires to be admitted to the district shall make application for admission to the board. For purposes of this subsection, "private partnering entity" includes, but is not limited to, an electric cooperative or public utility providing services within the state.

(2) The board shall determine the financial, economic, governance, and operational effects that are likely to occur if such private partnering entity is admitted and thereafter either grant or deny authority for admission of the petitioning private
partnering entity. If the board grants such authority, it shall also specify any terms and conditions, including financial obligations, upon which such admission is predicated. Upon resolution of the board, such applicant private partnering entity shall become a district member.

(3) The board and the private partnering entity shall by agreement specify the ownership and other financial determinants of the private partnering entity's participation in the district. Any such determinations shall be considered to be within the public purposes of the district, absent a judicial determination that such public purposes do not exist.

(4) A private partnering entity admitted to a district under this subsection may finance the provision or expansion of broadband internet service through grants, loans, bonds, user fees, or any other financing methods that do not negatively impact the cost of service provided to the district's residents, customers, or rate-payers.

10. A district member may withdraw from the district in the same manner as the vote for admission to the district set forth in subsection 8 and 9 of this section.

11. Dissolution of a broadband infrastructure improvement district created pursuant to this section shall follow the procedures established in sections 67.950 and 67.955.