

SECOND REGULAR SESSION

HOUSE BILL NO. 2566

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HUGHES (Sponsor), HOSKINS,
MEINERS AND BROWN (50) (Co-sponsors).

Read 1st time April 1, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5532L.01I

AN ACT

To amend chapter 162, RSMo, by adding thereto fifteen new sections relating to school improvement districts.

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

Section A. Chapter 162, RSMo, is amended by adding thereto fifteen new sections, to
2 be known as sections 162.1350, 162.1352, 162.1354, 162.1356, 162.1358, 162.1360, 162.1362,
3 162.1364, 162.1366, 162.1368, 162.1370, 162.1372, 162.1374, 162.1376, and 162.1378, to read
4 as follows:

**162.1350. 1. The provisions of sections 162.1350 to 162.1378 shall be known and
2 may be cited as the "School Improvement District Act".**

**3 2. For the purposes of sections 162.1350 to 162.1378, the following words and terms
4 mean:**

**5 (1) "Approval" or "approve", for purposes of elections under sections 162.1350 to
6 162.1378, a simple majority of those qualified voters voting in the election;**

**7 (2) "Assessed value", the assessed value of real property as reflected on the tax
8 records of the county clerk of the county in which the property is located, or the collector
9 of revenue if the property is located in a city not within a county, as of the last completed
10 assessment;**

11 (3) "Blighted area", an area which:

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.

- 12 (a) By reason of the predominance of defective or inadequate education, insanitary
13 or unsafe conditions, deterioration of site improvements, or the existence of conditions
14 which endanger life or property, or any combination of such factors, retards the provision
15 of education or constitutes an economic or social liability or a menace to the public health,
16 safety, morals or welfare in its present condition and use; or
- 17 (b) Has been declared unaccredited, provisionally accredited, or interim accredited
18 under Missouri law including, but not limited to, section 161.092, RSMo;
- 19 (4) "Board", the board of directors of the not-for-profit corporation;
- 20 (5) "Director of revenue", the director of the department of revenue of the state of
21 Missouri;
- 22 (6) "District", a school improvement district, established under sections 162.1350
23 to 162.1378;
- 24 (7) "Election authority", the election authority having jurisdiction over the area
25 in which the boundaries of the district are located under chapter 115, RSMo;
- 26 (8) "Municipal clerk", the clerk of the municipality;
- 27 (9) "Municipality", any city, village, incorporated town, or county of this state, or
28 in any unincorporated area that is located in any county with a charter form of
29 government and with more than one million inhabitants;
- 30 (10) "Obligations", bonds, loans, debentures, notes, special certificates, or other
31 evidences of indebtedness issued by a district to carry out any of its powers, duties, or
32 purposes or to refund outstanding obligations;
- 33 (11) "Owner", for real property, the individual or individuals or entity or entities
34 who own a fee interest in real property that is located within the district or their legally
35 authorized representative; for business organizations and other entities, the owner shall
36 be deemed to be the individual which is legally authorized to represent the entity in regard
37 to the district;
- 38 (12) "Per capita", one head count applied to each individual, entity or group of
39 individuals or entities having fee ownership of real property within the district whether
40 such individual, entity or group owns one or more parcels of real property in the district
41 as joint tenants, tenants in common, tenants by the entirety, tenants in partnership, except
42 that with respect to a condominium created under sections 448.1-101 to 448.4-120, RSMo,
43 "per capita" means one head count applied to the applicable unit owners' association and
44 not to each unit owner;
- 45 (13) "Petition", a petition to establish a district as it may be amended in accordance
46 with the requirements of section 162.1354;
- 47 (14) "Qualified voters",

- 48 (a) For purposes of elections for approval of real property taxes:
49 a. Registered voters; or
50 b. If no registered voters reside in the district, the owners of one or more parcels
51 of real property which is to be subject to such real property taxes and is located within the
52 district per the tax records for real property of the county clerk, or the collector of revenue
53 if the district is located in a city not within a county, as of the thirtieth day prior to the date
54 of the applicable election;
- 55 (b) For purposes of elections for approval of business license taxes or sales taxes:
56 a. Registered voters; or
57 b. If no registered voters reside in the district, the owners of one or more parcels
58 of real property located within the district per the tax records for real property of the
59 county clerk as of the thirtieth day before the date of the applicable election; and
- 60 (c) For purposes of the election of directors of the board, registered voters and
61 owners of real property which is not exempt from assessment or levy of taxes by the district
62 and which is located within the district per the tax records for real property of the county
63 clerk, or the collector of revenue if the district is located in a city not within a county, of
64 the thirtieth day prior to the date of the applicable election;
- 65 (15) "Registered voters", persons who reside within the district and who are
66 qualified and registered to vote under chapter 115, RSMo, pursuant to the records of the
67 election authority as of the thirtieth day prior to the date of the applicable election.
- 162.1352. 1. The governing body of any municipality or county may establish one
2 or more districts in the manner provided in sections 162.1350 to 162.1378.
- 3 2. The boundaries of the district shall be contiguous.
- 4 3. Each district shall be a not-for-profit corporation organized under chapter 355,
5 RSMo. Such corporation shall be organized and in good standing under the provisions of
6 chapter 355, RSMo, at the time the petition for the proposed district is filed with the
7 municipal clerk.
- 8 4. The name of the district shall include "school improvement district", and it shall
9 be the same as the name of the not-for-profit corporation.
- 162.1354. 1. Upon receipt of a proper petition filed with its municipal clerk, the
2 governing body of the municipality in which the proposed district is located shall hold a
3 public hearing in accordance with section 162.1356 and may adopt an ordinance to
4 establish the proposed district.
- 5 2. A petition is proper if, based on the tax records of the county clerk, or the
6 collector of revenue if the district is located in a city not within a county, as of the time of
7 filing the petition with the municipal clerk, it meets the following requirements:

- 8 (1) It has been signed by property owners collectively owning more than fifty
9 percent by assessed value of the real property within the boundaries of the proposed
10 district;
- 11 (2) It has been signed by more than fifty percent per capita of all owners of real
12 property within the boundaries of the proposed district; and
- 13 (3) It contains the following information:
- 14 (a) The legal description of the proposed district, including a map illustrating the
15 district boundaries;
- 16 (b) The name of the proposed district;
- 17 (c) A notice that the signatures of the signers may not be withdrawn later than
18 seven days after the petition is filed with the municipal clerk;
- 19 (d) A five-year plan stating a description of the purposes of the proposed district,
20 the services it will provide, the improvements it will make and an estimate of costs of these
21 services and improvements to be incurred;
- 22 (e) The name of the not-for-profit corporation;
- 23 (f) The total assessed value of all real property within the proposed district;
- 24 (g) A statement as to whether the petitioners are seeking a determination that the
25 proposed district, or any legally described portion thereof, is a blighted area;
- 26 (h) The proposed length of time for the existence of the district;
- 27 (i) The maximum rates of real property taxes, and, business license taxes in the
28 county seat of a county of the first classification without a charter form of government
29 containing a population of at least two hundred thousand, that may be submitted to the
30 qualified voters for approval;
- 31 (j) The maximum rates of special assessments and respective methods of assessment
32 that may be proposed by petition;
- 33 (k) The limitations, if any, on the borrowing capacity of the district;
- 34 (l) The limitations, if any, on the revenue generation of the district;
- 35 (m) Other limitations, if any, on the powers of the district;
- 36 (n) A request that the district be established; and
- 37 (o) Any other items the petitioners deem appropriate; and
- 38 (4) The signature block for each real property owner signing the petition shall be
39 in substantially the following form and contain the following information:
40 Name of owner: Owner's telephone number and mailing
41 address: If signer is different from owner:

50

52 STATE OF MISSOURI)

54 COUNTY OF.....)

57 **WITNESS** my hand and official seal this day of (month),
58 (year).

60 **Notary Public**

62 **3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not**
63 **to exceed ninety days after receipt of the petition, review and determine whether the**
64 **petition substantially complies with the requirements of subsection 2 of this section. In the**
65 **event the municipal clerk receives a petition which does not meet the requirements of**
66 **subsection 2 of this section, the municipal clerk shall, within a reasonable time, return the**
67 **petition to the submitting party by hand delivery, first class mail, postage prepaid or other**
68 **efficient means of return and shall specify which requirements have not been met.**

74 **5. Amendments to a petition may be made which do not change the proposed**
75 **boundaries of the proposed district if an amended petition meeting the requirements of**
76 **subsection 2 of this section is filed with the municipal clerk at the following times and the**
77 **following requirements have been met:**

78 (1) At any time prior to the close of the public hearing required under subsection
79 1 of this section; provided that, notice of the contents of the amended petition is given at
80 the public hearing;

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

90 (3) At any time after the adoption of any ordinance establishing the district a public
91 hearing on the amended petition is held and notice of the public hearing is given in the
92 manner provided in section 162.1356 and the governing body of the municipality in which
93 the district is located adopts an ordinance approving the amended petition after the public
94 hearing is held.

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

 162.1356. 1. Within a reasonable time, not to exceed forty-five days, after the
2 receipt of the verified petition from the municipal clerk, the governing body shall hold or
3 cause to be held a public hearing on the establishment of the proposed district and shall
4 give notice of the public hearing in the manner provided in subsection 3 of this section. All
5 reasonable protests, objections and endorsements shall be heard at the public hearing.

6 2. The public hearing may be continued to another date without further notice
7 other than a motion to be entered on the minutes fixing the date, time, and place of the
8 continuance of the public hearing.

9 3. Notice of the public hearing shall be given by publication and mailing. Notice
10 by publication shall be given by publication in a newspaper of general circulation within
11 the municipality once a week for two consecutive weeks prior to the week of the public
12 hearing. Notice by mail shall be given not less than fifteen days prior to the public hearing
13 by sending the notice via registered or certified United States mail with a return receipt
14 attached to the address of record of each owner of record of real property within the
15 boundaries of the proposed district. The published and mailed notices shall include the
16 following:

17 (1) The date, time, and place of the public hearing;

18 (2) A statement that a petition for the establishment of a district has been filed with
19 the municipal clerk;

20 (3) The boundaries of the proposed district by street location, or other readily
21 identifiable means if no street location exists; and a map illustrating the proposed
22 boundaries;

23 (4) A statement that a copy of the petition is available for review at the office of the
24 municipal clerk during regular business hours; and

25 (5) A statement that all interested persons shall be given an opportunity to be heard
26 at the public hearing.

 162.1358. 1. Upon the written request of any real property owner within the
2 district, the governing body of the municipality may hold a public hearing for the removal
3 of real property from a district and such real property may be removed from such district
4 by ordinance, provided that:

5 (1) The board consents to the removal of such property;

6 (2) The district can meet its obligations without the revenues generated by or on the
7 real property proposed to be removed; and

8 (3) The public hearing is conducted in the same manner as required by section
9 162.1356 with notice of the hearing given in the same manner as required by section
10 162.1356 and such notice shall include:

11 (a) The date, time, and place of the public hearing;

12 (b) The name of the district;

13 (c) The boundaries by street location, or other readily identifiable means if no street
14 location exists of the real property proposed to be removed from the district, and a map
15 illustrating the boundaries of the existing district and the real property proposed to be
16 removed; and

17 (d) A statement that all interested persons shall be given an opportunity to be heard
18 at the public hearing.

19 2. With the consent of the board, real property may be added to the district by
20 ordinance upon receipt of a proper petition and after a public hearing is held by the
21 governing body of the municipality on the addition of the real property in the manner
22 provided in section 162.1356. Notice of the public hearing shall be given by publication
23 and mailed to the owners of real property within the boundaries of the district and the area
24 proposed to be added in the manner provided in section 162.1356. The notice shall include
25 the following information:

26 (1) The time, date, and place of the public hearing;

27 (2) The name of the proposed or established district;

28 (3) The boundaries by street location, or other readily identifiable means if no
29 street location exists, of the real property to be added to the district, and a map showing
30 the boundaries of the existing district and the real property proposed to be added to the
31 district;

32 (4) A statement that a copy of the petition is available for review during regular
33 business hours at the office of the municipal clerk; and

34 (5) A statement that all interested persons shall be given an opportunity to be heard
35 at the public hearing.

36

37 For the purposes of this section, a proper petition is one which meets the requirements of
38 section 162.1356, which requirements shall only apply as to the real property proposed to
39 be added.

40 3. A public hearing may be held to amend the petition and notice of such
41 amendments given simultaneously with a public hearing to alter the district boundaries.

2 162.1360. 1. The election and qualification of members to the district's board of
directors shall be in accordance with chapter 355, RSMo.

3 2. The district shall be governed by a board consisting of at least five but not more
4 than thirty directors. Each director shall, during his or her entire term, be:

5 (1) At least eighteen years of age; and

6 (2) Be either:

7 (a) An owner, as defined in section 162.1350, of real property or of a business
8 operating within the district; or

9 (b) A registered voter residing within the district; and

10 (3) Any other qualifications set forth in the petition establishing the district.

11

12 If there are fewer than five owners of real property located within a district, the board may
13 be comprised of up to five legally authorized representatives of any of the owners of real
14 property located within the district.

15 3. Any director may be removed for cause by a two-thirds affirmative vote of the
16 directors of the board. Written notice of the proposed removal shall be given to all
17 directors prior to action thereon.

18 4. The board is authorized to act on behalf of the district, subject to approval of
19 qualified voters as required in this section; except that, all official acts of the board shall
20 be by written resolution approved by the board.

2 162.1362. 1. Each district shall have all the powers, except to the extent any such
power has been limited by the petition approved by the governing body of the municipality

3 to establish the district, necessary to carry out and effectuate the purposes and provisions
4 of sections 162.1350 to 162.1378 including, but not limited to, the following:

5 (1) To adopt, amend, and repeal bylaws, not inconsistent with sections 162.1350 to
6 162.1378, necessary or convenient to carry out the provisions of sections 162.1350 to
7 162.1378;

8 (2) To sue and be sued;

9 (3) To make and enter into contracts and other instruments, with public and
10 private entities, necessary or convenient to exercise its powers and carry out its duties
11 under sections 162.1350 to 162.1378;

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

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

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

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

21 (8) To levy and collect special assessments and taxes as provided in sections
22 162.1350 to 162.1378. However, no such assessments or taxes shall be levied on any
23 property exempt from taxation under subdivision (5) of section 137.100, RSMo. Those
24 exempt under subdivision (5) of section 137.100, RSMo, may voluntarily participate in the
25 provisions of sections 162.1350 to 162.1378;

26 (9) To fix, charge, and collect fees, rents, and other charges for use of any of the
27 following:

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

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

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

32 (10) To borrow money from any public or private source and issue obligations and
33 provide security for the repayment of the same as provided in sections 162.1350 to
34 162.1378;

35 (11) To loan money as provided in sections 162.1350 to 162.1378;

36 (12) To make expenditures, create reserve funds, and use its revenues as necessary
37 to carry out its powers or duties and the provisions and purposes of sections 162.1350 to
38 162.1378;

39 **(13) To enter into one or more agreements with the municipality for the purpose**
40 **of improving educational attainment in the district;**

41 **(14) Within its boundaries, to provide assistance to or to construct, reconstruct,**
42 **install, repair, maintain, and equip public improvements;**

43 **(15) To dedicate to the municipality, with the municipality's consent, streets,**
44 **sidewalks, parks, and other real property and improvements located within its boundaries**
45 **for public use;**

46 **(16) Within its boundaries and with the municipality's consent, to prohibit or**
47 **restrict vehicular and pedestrian traffic and vendors on streets, alleys, malls, bridges,**
48 **ramps, sidewalks, and tunnels and to provide the means for access by emergency vehicles**
49 **to or in such areas;**

50 **(17) Within its boundaries, to operate or to contract for the provision of music,**
51 **news, child care, or parking facilities, and buses, minibuses, or other modes of**
52 **transportation;**

53 **(18) Within its boundaries, to provide or contract for the provision of security**
54 **personnel, equipment, or facilities for the protection of property and persons;**

55 **(19) Within its boundaries, to provide or contract for cleaning, maintenance, and**
56 **other services to public and private property;**

57 **(20) To produce and promote any recreational or cultural activity or special event**
58 **in the district by, but not limited to, advertising, decoration of any public place in the**
59 **district, promotion of such activity and special events, and furnishing music in any public**
60 **place;**

61 **(21) To support business activity and economic development in the district**
62 **including, but not limited to, the promotion of business activity, development and**
63 **retention, and the recruitment of developers and businesses;**

64 **(22) To provide or support training programs for employees of businesses within**
65 **the district;**

66 **(23) To provide refuse collection and disposal services within the district;**

67 **(24) To contract for or conduct economic, planning, marketing or other studies;**
68 **and**

69 **(25) To carry out any other powers set forth in sections 162.1350 to 162.1378.**

70 **2. Each district shall annually reimburse the municipality for the reasonable and**
71 **actual expenses incurred by the municipality to establish such district and review annual**
72 **budgets and reports of such district required to be submitted to the municipality; provided**
73 **that, such annual reimbursement shall not exceed one and one-half percent of the revenues**
74 **collected by the district in such year.**

75 **3. Nothing in sections 162.1350 to 162.1378 shall be construed to delegate to any**
76 **district any sovereign right of municipalities to promote order, safety, health, morals, and**
77 **general welfare of the public, except those such police powers, if any, expressly delegated**
78 **under sections 162.1350 to 162.1378.**

79 **4. The governing body of the municipality establishing the district shall not**
80 **decrease the level of publicly funded services in the district existing prior to the creation**
81 **of the district or transfer the financial burden of providing the services to the district**
82 **unless the services at the same time are decreased throughout the municipality, nor shall**
83 **the governing body discriminate in the provision of the publicly funded services between**
84 **areas included in such district and areas not so included.**

162.1364. 1. The fiscal year for the district shall be the same as the fiscal year of
2 **the municipality.**

3 **2. No earlier than one hundred eighty days and no later than ninety days prior to**
4 **the first day of each fiscal year, the board shall submit to the governing body of the city a**
5 **proposed annual budget, setting forth expected expenditures, revenues, and rates of**
6 **assessments and taxes, if any, for such fiscal year. The governing body may review and**
7 **comment to the board on this proposed budget, but if such comments are given, the**
8 **governing body of the municipality shall provide such written comments to the board no**
9 **later than sixty days prior to the first day of the relevant fiscal year; such comments shall**
10 **not constitute requirements but shall only be recommendations.**

11 **3. The board shall hold an annual meeting and adopt an annual budget no later**
12 **than thirty days prior to the first day of each fiscal year.**

13 **4. Within one hundred twenty days after the end of each fiscal year, the district**
14 **shall submit a report to the municipal clerk and the Missouri department of economic**
15 **development stating the services provided, revenues collected and expenditures made by**
16 **the district during such fiscal year, and copies of written resolutions approved by the board**
17 **during the fiscal year. The municipal clerk shall retain this report as part of the official**
18 **records of the municipality and shall also cause this report to be spread upon the records**
19 **of the governing body.**

162.1366. 1. Each ordinance establishing a district shall set forth the term for the
2 **existence of such district which term may be defined as a minimum, maximum or definite**
3 **number of years.**

4 **2. Upon receipt by the municipal clerk of a proper petition and after notice and a**
5 **public hearing, any district may be terminated by ordinance adopted by the governing**
6 **body of the municipality prior to the expiration of its term if the district has no outstanding**

7 obligations. A copy of such ordinance shall be given to the department of economic
8 development.

9 3. A petition for the termination of a district is proper if:

10 (1) It names the district to be terminated;

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

13 (3) It has been signed by more than fifty percent per capita of owners of real
14 property within the boundaries of the district;

15 (4) It contains a plan for dissolution and distribution of the assets of the district;
16 and

17 (5) The signature block signed by each petitioner is in the form set forth in
18 subdivision (4) of subsection 2 of section 162.1354.

19 4. The public hearing required by this section shall be held and notice of such
20 public hearing shall be given in the manner set forth in section 162.1356. The notice shall
21 contain the following information:

22 (1) The date, time, and place of the public hearing;

23 (2) A statement that a petition requesting the termination of the district has been
24 filed with the municipal clerk;

25 (3) A statement that a copy of the petition is available at the office of the municipal
26 clerk during regular business hours; and

27 (4) A statement that all interested parties will be given an opportunity to be heard.

28 5. Upon expiration or termination of a district, the assets of such district shall be
29 distributed in accordance with the plan for dissolution as approved by ordinance. Every
30 effort should be made by the municipality for the assets of the district to be distributed in
31 such a manner so as to benefit the real property which was formerly a part of the district.

162.1368. 1. A district may, at any time, issue obligations for the purpose of
2 carrying out any of its powers, duties, or purposes. Such obligations shall be payable out
3 of all, part or any combination of the revenues of the district and may be further secured
4 by all or any part of any property or any interest in any property by mortgage or any other
5 security interest granted. Such obligations shall be authorized by resolution of the district,
6 and if issued by the district, shall bear such date or dates, and shall mature at such time
7 or times, but not more than twenty years from the date of issuance, as the resolution shall
8 specify. Such obligations shall be in such denomination, bear interest at such rate or rates,
9 be in such form, be payable in such place or places, be subject to redemption as such
10 resolution may provide and be sold at either public or private sale at such prices as the
11 district shall determine subject to the provisions of section 108.170, RSMo. The district

12 may also issue such obligations to refund, in whole or in part, obligations previously issued
13 by the district.

14 2. The municipality, any land clearance for redevelopment authority, port
15 authority, tax increment financing commission, industrial development authority or
16 planned industrial expansion authority of the municipality may, under a cooperative
17 agreement with a district, issue obligations and loan the proceeds of such obligations to the
18 district for the purpose of carrying out the powers, duties, or purposes of the district.

162.1370. 1. A district may use any one or more of the assessments, taxes, or other
2 funding methods specifically authorized under sections 67.1401 to 67.1571, RSMo, to
3 provide funds to accomplish any power, duty, or purpose of the district; provided,
4 however, no district which is located in any city not within a county and which includes
5 any real property that is also included in a special business district established under
6 sections 71.790 to 71.808, RSMo, prior to the establishment of the district under sections
7 67.1401 to 67.1571, RSMo, shall have the authority to impose any such tax or assessment
8 under sections 67.1401 to 67.1571, RSMo, until such time as all taxes or special assessments
9 imposed under sections 71.790 to 71.808, RSMo, on any real property or on any business
10 located in such special business district or on any business or individual doing business in
11 such special business district have been repealed in accordance with this subsection. The
12 governing body of a special business district which includes real property located in a
13 district established under sections 67.1401 to 67.1571, RSMo, shall have the power to
14 repeal all taxes and assessments imposed under sections 71.790 to 71.808, RSMo, and such
15 power may be exercised by the adoption of a resolution by the governing body of such
16 special business district. Upon the adoption of such resolution such special business
17 district shall no longer have the power to impose any tax or special assessment under
18 sections 71.790 to 71.808, RSMo, until such time as the district or districts established
19 under sections 67.1401 to 67.1571, RSMo, which include any real property that is also
20 included in such special business district have been terminated or have expired under
21 sections 67.1401 to 67.1571, RSMo.

22 2. A district may establish different classes of real property within the district for
23 purposes of special assessments. The levy rate for special assessments may vary for each
24 class or subclass based on the level of benefit derived from services or improvements
25 funded, provided or caused to be provided by the district.

162.1372. 1. Any municipality in which any part of a district is located may, by
2 ordinance, establish a school improvement district municipal fund in the municipality's
3 treasury.

4 2. This fund may be used to:

5 (1) Pay the costs of planning, administration and any improvement authorized in
6 sections 162.1350 to 162.1378;

7 (2) Prepare preliminary plans, studies and engineering reports to determine the
8 feasibility of a public improvement or service; or

9 (3) If ordered by the governing body of the municipality, pay the initial cost of the
10 public improvement or service until obligations have been issued and sold.

11 3. The fund is not required to be budgeted for expenditure during any year, but the
12 amount of the fund must be stated in the municipality's annual budget. The amount of the
13 fund shall be based on an annual service plan that describes the public improvements and
14 services for the fiscal year.

15 4. A grant-in-aid or contribution made to the municipality for the planning and
16 preparation of plans for public improvement or service authorized under sections 162.1350
17 to 162.1378 may be credited to the school improvement district municipal fund.

18 5. Other political subdivisions may enter into cooperative agreements with the
19 district to make payments in lieu of taxes.

 162.1374. 1. A district may levy by resolution one or more special assessments
2 against real property within its boundaries, upon receipt of and in accordance with a
3 petition signed by:

4 (1) Owners of real property collectively owning more than fifty percent by assessed
5 value of real property within the boundaries of the district; and

6 (2) More than fifty percent per capita of the owners of all real property within the
7 boundaries of the district.

8 2. The special assessment petition shall be in substantially the following form:

9 The (insert name of district) School Improvement District
10 ("District") shall be authorized to levy special assessments against real property benefited
11 within the District for the purpose of providing revenue for (insert general
12 description of specific service and/or projects) in the district, such special assessments to
13 be levied against each tract, lot or parcel of real property listed below within the district
14 which receives special benefit as a result of such service and/or projects, the cost of which
15 shall be allocated among this property by (insert method of allocation, e.g.,
16 per square foot of property, per square foot on each square foot of improvement, or by
17 abutting foot of property abutting streets, roads, highways, parks or other improvements,
18 or any other reasonable method) in an amount not to exceed dollars per (insert
19 unit of measure). Such authorization to levy the special assessment shall expire on
20 (insert date). The tracts of land located in the district which will receive special

21 benefit from this service and/or projects are: (list of properties by common
22 addresses and legal descriptions).

23 3. The method for allocating such special assessments set forth in the petition may
24 be any reasonable method which results in imposing assessments upon real property
25 benefited in relation to the benefit conferred upon each respective tract, lot or parcel of
26 real property and the cost to provide such benefit.

27 4. By resolution of the board, the district may levy a special assessment rate lower
28 than the rate ceiling set forth in the petition authorizing the special assessment and may
29 increase such lowered special assessment rate to a level not exceeding the special
30 assessment rate ceiling set forth in the petition without further approval of the real
31 property owners; provided that a district imposing a special assessment under this section
32 may not repeal or amend such special assessment or lower the rate of such special
33 assessment if such repeal, amendment or lower rate will impair the district's ability to pay
34 any liabilities that it has incurred, money that it has borrowed or obligations that it has
35 issued.

36 5. Each special assessment which is due and owing shall constitute a perpetual lien
37 against each tract, lot or parcel of property from which it is derived. Such lien may be
38 foreclosed in the same manner as any other special assessment lien as provided in section
39 88.861, RSMo.

40 6. A separate fund or account shall be created by the district for each special
41 assessment levied and each fund or account shall be identifiable by a suitable title. The
42 proceeds of such assessments shall be credited to such fund or account. Such fund or
43 account shall be used solely to pay the costs incurred in undertaking the specified service
44 or project.

45 7. Upon completion of the specified service or project or both, the balance
46 remaining in the fund or account established for such specified service or project or both
47 shall be returned or credited against the amount of the original assessment of each parcel
48 of property pro rata based on the method of assessment of such special assessment.

49 8. Any funds in a fund or account created under this section which are not needed
50 for current expenditures may be invested by the board in accordance with applicable laws
51 relating to the investment of funds of the city in which the district is located.

52 9. The authority of the district to levy special assessments shall be independent of
53 the limitations and authorities of the municipality in which it is located; specifically, the
54 provisions of section 88.812, RSMo, shall not apply to any district.

162.1376. 1. The county collector of each county in which the district is located, or
2 the collector for the city in which the district is located if the district is located in a city not

3 within a county, shall collect the special assessments made upon all real property within
4 that county and district, in the same manner as other real property taxes are collected. If
5 the special assessment is based on something other than the assessed value of real property,
6 the district shall provide the information on which such special assessment is based for all
7 applicable real property.

8 2. Every county or municipal collector and treasurer having collected or received
9 district assessments or taxes shall, on or before the fifteenth day of each month and after
10 deducting the reasonable and actual cost of such collection but not to exceed one percent
11 of the total amount collected, remit to the treasurer of such district the amount collected
12 or received by him or her prior to the first day of such month. Upon receipt of such
13 money, the district treasurer shall execute a receipt therefor, which he or she shall forward
14 or deliver to the county collector or city treasurer who collected such money. The district
15 treasurer shall deposit such sums into the district treasury, credited to the appropriate
16 fund or account. The county or municipal collector or treasurer, and district treasurer
17 shall make final settlement of the district account and costs owing, not less than once each
18 year, if necessary.

162.1378. No lawsuit to set aside a district established, or a special assessment or
2 a tax levied under sections 162.1350 to 162.1378 or to otherwise question the validity of the
3 proceedings related thereto shall be brought after the expiration of ninety days from the
4 effective date of the ordinance establishing such district in question or the effective date
5 of the resolution levying such special assessment or tax in question.

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