

FIRST REGULAR SESSION

HOUSE BILL NO. 536

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KEATHLEY.

1655H.01I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 67.1421, 67.1422, and 238.225, RSMo, and to enact in lieu thereof three new sections relating to certain special taxing districts.

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

Section A. Sections 67.1421, 67.1422, and 238.225, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1422, and 238.225, to read as follows: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, **provided such ordinance is adopted by a unanimous vote.**

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16 (c) A notice that the signatures of the signers may not be withdrawn later than seven
17 days 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, each improvement it will make from the list of allowable
20 improvements under section 67.1461, an estimate of the costs of these services and
21 improvements to be incurred, the anticipated sources of funds to pay the costs, and the
22 anticipated term of the sources of funds to pay the costs;

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

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

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

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

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

35 (j) The proposed length of time for the existence of the district, which in the case of
36 districts established after August 28, 2021, shall not exceed twenty-seven years from the
37 adoption of the ordinance establishing the district unless the municipality extends the length
38 of time under section 67.1481;

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

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

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

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

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

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

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

50 (4) The signature block for each real property owner signing the petition shall be in
51 substantially the following form and contain the following information:

52 Name of owner: _____

53 Owner's telephone number and mailing address: _____
 54 If signer is different from owner:
 55 Name of signer: _____
 56 State basis of legal authority to sign: _____
 57 Signer's telephone number and mailing address: _____
 58 If the owner is an individual, state if owner is single or married: _____
 59 If owner is not an individual, state what type of entity: _____
 60 Map and parcel number and assessed value of each tract of real property within
 61 the proposed district owned: _____
 62 By executing this petition, the undersigned represents and warrants that he or
 63 she is authorized to execute this petition on behalf of the property owner named
 64 immediately above

65 _____
 66 Signature of person _____ Date
 67 signing for owner
 68 STATE OF MISSOURI)
 69) ss.
 70 COUNTY OF _____)
 71 Before me personally appeared _____, to me personally known to be the
 72 individual described in and who executed the foregoing instrument.
 73 WITNESS my hand and official seal this _____ day of _____ (month), _____
 74 __ (year).

75 _____
 76 Notary Public
 77 My Commission Expires: _____ ; and

78 (5) Alternatively, the governing body of any home rule city with more than four
 79 hundred thousand inhabitants and located in more than one county may file a petition to
 80 initiate the process to establish a district in the portion of the city located in any county of the
 81 first classification with more than two hundred thousand but fewer than two hundred sixty
 82 thousand inhabitants containing the information required in subdivision (3) of this subsection;
 83 provided that the only funding methods for the services and improvements will be a real
 84 property tax.

85 3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not to
 86 exceed ninety days after receipt of the petition, review and determine whether the petition
 87 substantially complies with the requirements of subsection 2 of this section. In the event the
 88 municipal clerk receives a petition which does not meet the requirements of subsection 2 of

89 this section, the municipal clerk shall, within a reasonable time, return the petition to the
90 submitting party by hand delivery, first class mail, postage prepaid or other efficient means of
91 return and shall specify which requirements have not been met.

92 4. After the close of the public hearing required pursuant to subsection 1 of this
93 section, the governing body of the municipality may adopt an ordinance approving the
94 petition and establishing a district as set forth in the petition and may determine, if requested
95 in the petition, whether the district, or any legally described portion thereof, constitutes a
96 blighted area. If the petition was filed by the governing body of a municipality pursuant to
97 subdivision (5) of subsection 2 of this section, after the close of the public hearing required
98 pursuant to subsection 1 of this section, the petition may be approved by the governing body
99 and an election shall be called pursuant to section 67.1422. **Any ordinance or petition**
100 **approved pursuant to this subsection shall be by a unanimous vote.**

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

105 (1) At any time prior to the close of the public hearing required pursuant to subsection
106 1 of this section; provided that, notice of the contents of the amended petition is given at the
107 public hearing;

108 (2) At any time after the public hearing and prior to the adoption of an ordinance
109 establishing the proposed district; provided that, notice of the amendments to the petition is
110 given by publishing the notice in a newspaper of general circulation within the municipality
111 and by sending the notice via registered certified United States mail with a return receipt
112 attached to the address of record of each owner of record of real property within the
113 boundaries of the proposed district per the tax records of the county clerk, or the collector of
114 revenue if the district is located in a city not within a county. Such notice shall be published
115 and mailed not less than ten days prior to the adoption of the ordinance establishing the
116 district. Such notice shall also be sent to the Missouri department of revenue, which shall
117 publish such notice on its website;

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

123 6. Upon the creation of a district, the municipal clerk shall report in writing the
124 creation of such district to the Missouri department of economic development and the state
125 auditor.

7. (1) The governing body of the municipality or county establishing a district or the governing body of such district shall, as soon as is practicable, submit the following information to the state auditor and the department of revenue:

(a) A description of the boundaries of such district as well as the rate of property tax or sales tax levied in such district;

(b) Any amendments made to the boundaries of a district or the tax rates levied in such district; and

(c) The date on which the district is to expire unless sooner terminated.

(2) The governing body of a community improvement district established on or after August 28, 2022, shall not order any assessment to be made on any real property located within a district and shall not levy any property or sales tax until the information required by paragraph (a) of subdivision (1) of this subsection has been submitted.

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

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

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

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

26 3. An election conducted under this section may be conducted in accordance with the
27 provisions of chapter 115 or by mail-in ballot.

238.225. 1. Before construction or funding of any project the district shall submit the
2 proposed project to the commission for its **unanimous** prior approval. If the commission by
3 minute finds that the project will improve or is a necessary or desirable extension of the state
4 highways and transportation system, the commission may preliminarily approve the project
5 subject to the district providing plans and specifications for the proposed project and making
6 any revisions in the plans and specifications required by the commission and the district and
7 commission entering into a mutually satisfactory agreement regarding development and
8 future maintenance of the project. After such preliminary approval, the district may impose
9 and collect such taxes and assessments as may be included in the commission's preliminary
10 approval. After the commission approves the final construction plans and specifications, the
11 district shall obtain prior commission approval of any modification of such plans or
12 specifications.

13 2. If the proposed project is not intended to be merged into the state highways and
14 transportation system under the commission's jurisdiction, the district shall also submit the
15 proposed project and proposed plans and specifications to the local transportation authority
16 that will become the owner of the project for its **unanimous** prior approval.

17 3. In those instances where a local transportation authority is required to approve a
18 project and the commission determines that it has no direct interest in that project, the
19 commission may decline to consider the project. Approval of the project shall then vest
20 exclusively with the local transportation authority subject to the district making any revisions
21 in the plans and specifications required by the local transportation authority and the district
22 and the local transportation authority entering into a mutually satisfactory agreement
23 regarding development and future maintenance of the project. After the local transportation
24 authority **unanimously** approves the final construction plans and specifications, the district
25 shall obtain prior approval of the local transportation authority before modifying such plans
26 or specifications.

27 4. Notwithstanding any provision of this section to the contrary, this section shall not
28 apply to any district whose project is a public mass transportation system.

✓