

FIRST REGULAR SESSION
[CORRECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 536
102ND GENERAL ASSEMBLY

1655H.03C

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Section A. Sections 67.1421, 67.1422, and 238.225, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1422, and 238.225,
3 to read as follows:

67.1421. 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 67.1431 and may adopt an ordinance to establish
4 the proposed district, **provided that if such petition seeks to establish a sales tax, it must**
5 **be adopted by a two-thirds vote.**

6 2. A petition is proper if, based on the tax records of the county clerk, or the collector
7 of revenue if the district is located in a city not within a county, as of the time of filing the
8 petition with the municipal clerk, it meets the following requirements:

9 (1) It has been signed by property owners collectively owning more than fifty percent
10 by assessed value of the real property within the boundaries of the proposed 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;

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.

17 (c) A notice that the signatures of the signers may not be withdrawn later than seven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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53 Name of owner: _____

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

66 _____
 67 Signature of person Date
 68 signing for owner

69 STATE OF MISSOURI)
 70) ss.
 71 COUNTY OF _____)

72 Before me personally appeared _____, to me personally known to be the
 73 individual described in and who executed the foregoing instrument.

74 WITNESS my hand and official seal this _____ day of _____ (month), ____
 75 __ (year).

76 _____
 77 Notary Public

78 My Commission Expires: _____ ; and

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

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

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

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

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

107 (1) At any time prior to the close of the public hearing required pursuant to subsection
108 1 of this section; provided that, notice of the contents of the amended petition is given at the
109 public hearing;

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

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

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

128 7. (1) The governing body of the municipality or county establishing a district or the
129 governing body of such district shall, as soon as is practicable, submit the following
130 information to the state auditor and the department of revenue:

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

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

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

136 (2) The governing body of a community improvement district established on or after
137 August 28, 2022, shall not order any assessment to be made on any real property located
138 within a district and shall not levy any property or sales tax until the information required by
139 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
2 was filed pursuant to subdivision (5) of subsection 2 of section 67.1421 by a governing body
3 of the city, the governing body may adopt an ordinance **by a two-thirds vote** approving the
4 petition and submit a ballot to the qualified voters of the district; the question shall be in
5 substantially the following form:

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

15 ☐ YES

☐ NO

16 If you are in favor of the question, place an "X" in the box opposite "YES".

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

18

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

21 2. A district levying a real property tax pursuant to this section may repeal or amend
22 such real property tax or lower the tax rate of such tax if such repeal, amendment or lower rate

23 will not impair the district's ability to repay any liabilities which it has incurred, money which
24 it has borrowed or obligations that it has issued to finance any improvements or services
25 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 **two-thirds** prior approval **if the proposed project**
3 **is to be funded by a sales tax.** If the commission by minute finds that the project will
4 improve or is a necessary or desirable extension of the state highways and transportation
5 system, the commission may preliminarily approve the project subject to the district
6 providing plans and specifications for the proposed project and making any revisions in the
7 plans and specifications required by the commission and the district and commission entering
8 into a mutually satisfactory agreement regarding development and future maintenance of the
9 project. After such preliminary approval, the district may impose and collect such taxes and
10 assessments as may be included in the commission's preliminary approval. After the
11 commission approves the final construction plans and specifications, the district shall obtain
12 prior commission approval of any modification of such plans or 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 **two-thirds** prior approval **if the proposed**
17 **project is to be funded by a sales tax.**

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

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

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