

SS#2 SCS HB 199 -- POLITICAL SUBDIVISIONS

This bill creates and modifies numerous provisions relating to political subdivisions.

CONSTRUCTION PROJECTS IN POLITICAL SUBDIVISIONS (Sections 8.690, 67.5050, and 67.5060)

This bill repeals the September 1, 2026, expiration dates of the authority for political subdivisions to use the construction manager-at-risk and design-build methods for certain construction projects.

COUNTY FINANCIAL STATEMENTS (Sections 50.815, 50.820, and 105.145)

Currently, counties of the first classification without a charter form of government are required to prepare and publish in a qualified paper a financial statement for the previous year by the first Monday in March. This bill requires all non-charter counties to prepare and publish in a qualified newspaper a financial statement for the previous year by June 30th. The financial statement also must include the name, office, and current gross annual salary of each elected or appointed county official. The county clerk or other officer responsible for the preparation of the financial statement must preserve the documents relied upon in the making of the financial statements and provide an electronic copy free of charge to any newspaper requesting a copy of the data.

Newspapers publishing the statement are prohibited from charging any more than the standard rate for advertising to publish these financial statements. The county commission will pay the publisher upon the filing of proof of publication and after verification, the state auditor must notify the commission when proof has been received.

The bill repeals the provision that any county treasurer paying or entering for protest any warrant for any commissioner of the county commission prior to the receipt of such notice from the State Auditor will be liable on his official bond.

Currently, any political subdivision that fails to file the required annual financial statement with the State Auditor is subject to a fine. This bill exempts any political subdivision that has gross revenues of less than \$5,000, or that has not levied or collected sales or use taxes, from that fine. It also exempts a political subdivision from the fine if the failure to submit the statement is a result of fraud or other illegal conduct by an officer or employee of the political subdivision if the financial statement is filed within 30 days of the discovery of the fraud or

illegal conduct. If a political subdivision has outstanding fines due when filing its first annual financial statement after August 28, 2025, the Director of the Department of Revenue will make a one-time downward adjustment of the total amount due by no less than 90%. In addition, the Director has the authority to make a one-time downward adjustment to any fine he or she deems uncollectable.

CORONERS (Sections 58.030, 58.095, 58.097, 58.200, 58.208, 193.145, and 193.265)

This bill requires a candidate for the office of coroner to provide evidence of completion of a certification to do death investigations when filing a declaration of candidacy.

Currently, \$1,000 of a coroner's salary is payable only upon completion of 20 hours of classroom instruction per calendar year. This bill applies this salary condition not only to coroners but also to deputy coroners and assistants. The bill repeals a provision of law allowing the coroner in any county not having a charter form of government to, upon approval of the county commission, receive additional compensation in any month during which more than three investigations are performed.

Criteria for the required 20 hours of classroom instruction are provided in the bill.

Currently, if the office of sheriff becomes vacant, the county coroner fills the role until a new sheriff takes office. This bill allows the coroner to receive the same compensation authorized for the county sheriff, rather than the county coroner salary, during the time he or she is acting as the county sheriff.

Currently, a \$1 fee is collected for every death certificate issued in the State and credited to a fund to be used by the Missouri Coroners' and Medical Examiners' Association for trainings, equipment, and supplies. Any amount remaining in the fund over \$500,000 reverts to the credit of the General Revenue Fund. This bill allows these funds to be used to reimburse coroners' offices for expenses incurred for training attendance. At least \$150,000 must be designated annually for the above-stated purposes. A professional association of the county coroners of Missouri can establish a grant program with money remaining in the fund that can be used to assist coroners' offices, in an amount up to \$5,000 annually per office, with costs associated with investigative tools and equipment; construction, maintenance, or repair of office or forensic laboratory space; and the discharge of death investigation responsibilities. No money remaining in this fund will revert to the credit of the General Revenue Fund.

COUNTY PLANNING BOARD HEARING NOTICES (Section 64.231)

This bill requires that notices of county planning board hearings be posted on the county's website and repeals the requirement that the notices be posted at least 15 days in advance of the hearing in at least two places in each township.

NUISANCE ACTIONS (Sections 67.399, 67.452, 82.1025, 82.1026, 82.1027, and 82.1031)

This bill creates new provisions relating to nuisance actions in St. Louis County and in any municipality within St. Louis County.

Any property owner who owns property within 1,200 feet of a parcel of property alleged to be a nuisance, as defined in the bill, is authorized to bring a nuisance action against the owner of the offending property for the amount of damage created by the nuisance to the value of the petitioner's property.

Actions for injunctive relief to abate a nuisance can be brought by a neighborhood organization, as defined in the bill, or the owner of property within 1,200 feet of the alleged nuisance. An action cannot be brought until 60 days after notice of intent to bring an action is mailed to the tenant, if any, and the property owner of record at their last known address on file. The notice will state the nuisance and that legal action can be taken if it is not eliminated within 60 days. If the notice is returned, refused, undeliverable, or signed by a person other than the addressee, a copy must be posted on the property. A sworn affidavit by the person who mailed or posted the notice containing the date and manner the notice was given will be sufficient evidence to establish notice was given. The content of the notice is provided in the bill.

An action for injunctive relief to abate a nuisance will be heard by the court without a jury and will not require proof that the party bringing the action has sustained damage because of the nuisance. When a property owner or neighborhood organization bringing the action prevails, they can be entitled to an award for attorneys' fees and expenses, as ordered by the court, which will be entered as a judgment against the owner of the nuisance property.

If a property owner sued under this process proves that a condition alleged by the plaintiff to be a nuisance is the subject of an order issued by the Missouri Department of Natural Resources, the United States Environmental Protection Agency, or the Missouri Attorney General, and proves that the property is in compliance

with that order, the proof will be an affirmative defense to the plaintiff's claim.

Currently, statute prescribes certain procedures for nuisance actions in St. Louis City and Kansas City. This bill adds any home rule city with a population between 160,000 and 200,000 inhabitants and any home rule city with a population between 71,000 and 79,000 inhabitants to the list of cities these provisions apply to. Upon enactment, this will add Springfield and St. Joseph to these provisions. The bill allows certain actions for injunctive relief to abate a nuisance to be heard by a court without a jury. Currently, property owners or neighborhood organizations that prevail in actions brought against owners of commercial or industrial properties can be awarded reasonable attorneys' fees and expenses, as ordered by a court. This bill allows attorneys' fees to be awarded in actions brought against owners of residential properties.

If a property owner sued under this process proves that a condition alleged by the plaintiff to be a nuisance is the subject of an order issued by the Missouri Department of Natural Resources, the United States Environmental Protection Agency, or the Missouri Attorney General, and proves that the property is in compliance with that order, the proof will be an affirmative defense to the plaintiff's claim.

NEIGHBORHOOD IMPROVEMENT DISTRICTS (Section 67.453)

Current law allows neighborhood improvement districts to undertake certain improvements, including improving dikes, levees and other flood control works, gates, lift stations, bridges and streets. This bill provides that such projects can also include river and creek bank erosion mitigation projects, regardless of whether such projects confer a benefit solely to private property owners.

LOCAL SALES AND USE TAX (Sections 67.547, 67.582, 67.597, 67.1366, 67.1367, 94.838, 94.900, 137.1050, 144.757, 321.552, 321.554, and 321.556)

This bill authorizes Ozark County to submit a sales tax to provide law enforcement services. The total combined sales tax rate adopted pursuant to this section cannot exceed 1.5%.

Currently, any county except for Jackson and St. Louis Counties is authorized to impose a 0.5% sales tax for law enforcement services. This bill increases that authorization to 1%.

This bill authorizes Bates County to impose, upon voter approval, a county sales tax of up to 1% for the purpose of supporting the

operation of hospital services within the county. The bill provides that all moneys collected will be deposited into the "County Hospital Operations Sales Tax Fund".

Currently, the City of Independence is authorized to impose a tax on the charges for rooms paid by guests of hotels, motels, bed and breakfasts, and campgrounds of between 5% and 7% per occupied room, per night. The proceeds from this tax can be used to fund the promotion, operation, and development of tourism. This bill adds the costs of operating a community center to the authorized uses of this tax.

The bill adds the counties of Perry and Ste. Genevieve to the list of counties authorized to impose a transient guest tax at a rate not to exceed six percent for the purpose of the promotion of tourism and includes in that tax, charges for rooms in bed and breakfast inns and campgrounds. Any county that imposed this tax before August 28, 2025, may extend the tax to charges from rooms in bed and breakfast inns and campgrounds without requiring a second vote to authorize such charges..

This bill authorizes the City of Lamar Heights to impose, upon voter approval, a sales tax of up to 2% on the gross receipts derived from the retail sales of food by every person operating a food establishment for the current purposes of funding the construction, maintenance, and operation of capital improvements. This provision adds emergency services and public safety to the allowable purposes for which the tax revenue can be used.

This bill authorizes the cities of Sunrise Beach, Hannibal, Moberly, Joplin, and Nevada to impose, upon voter approval, a sales tax of up to .05% for the purpose of improving the public safety of the city, limited to expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers.

Currently, counties and municipalities are authorized to impose a local use tax if a local sales tax is imposed. This bill permits any political subdivision with the authority to impose a sales tax for emergency services to do so as well.

Currently, upon voter approval, ambulance districts and fire protection districts are authorized to impose a sales tax of up to 0.5% in every county except for St. Louis, St. Charles, Clay, Platte, and Greene. An ambulance district or fire protection district imposing a sales tax authorized by this section must reduce any property tax levy imposed by the district or political subdivision for the purposes of providing ambulance and fire protection services such that the revenue generated by the property

tax levy is offset in an amount equal to 50% of the amount of revenue generated by the sales tax imposed pursuant to this bill. Current law authorizes counties to provide a credit for the property tax liabilities of certain seniors. This bill provides that the calculation of such credit shall not include any reduction in emergency services property tax levies.

This bill increases the authorization for the sales tax up to 1%, and repeals statutory language prohibiting ambulance districts and fire protection districts in St. Louis, St. Charles, Clay, Platte, and Greene counties from submitting this tax authorization to voters.

COUNTY SPORTS COMPLEX AUTHORITY (Section 67.646)

This bill authorizes Clay County to establish a county sports complex authority for the purpose of developing, maintaining, or operating sports, convention, exhibition, or trade facilities.

The authority will be led by a commission, whose membership and terms of service are provided in the bill. The authority will have the same powers as other county sports complex authorities, as provided by current law.

The county is authorized to establish a "Convention and Sports Complex Fund". This Fund will be separate from the general funds of the county. The General Assembly can annually appropriate up to \$3 million into the Fund, provided that the county or the authority has entered into a contract or lease with a professional sports team on or after January 1, 2026.

To receive appropriations of State money pursuant to the bill, the county must enact ordinances or rules for the purchase of goods and services and for construction of capital improvements for facilities administered by the authority, and commence paying into the Fund an amount sufficient for the county to contribute at least \$3 million per calendar year. Appropriations of State money will not exceed the amount contributed by the county into the Fund. The county must submit an annual report to the General Assembly about the condition of the Fund, as specified in the bill.

REGIONAL SPORTS FACILITY (Section 67.1157)

Current law authorizes St. Charles County to establish the St. Charles County Convention and Sports Facilities Authority for the purpose of constructing, operating and maintaining convention, visitor, and sports facilities.

This bill authorizes the authority to designate a "project", defined as an area for the acquisition, planning, construction, equipping, operation, maintenance, repair, extension, and improvement of a regional sports facility intended to provide year-round sports opportunities.

Project areas designated by the authority will be eligible to receive up to 50% of the estimated incremental increase in state general revenue sales taxes generated by activity located within the project area, subject to appropriation, for a period not to exceed 20 years from the date of completion. A project area will not be eligible for the new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Department of Economic Development and the Commissioner of the Office of Administration will jointly evaluate applications for new state revenues, and the revenues will not be distributed until certain conditions are met, as provided in the bill. Information that must be included on the application is specified in the bill.

The bill specifies that the total amount of new state revenues that may be appropriated in any given year cannot exceed \$10 million, and no single project can receive an annual appropriation of more than \$5 million.

ENTERTAINMENT DISTRICTS (Sections 67.1421, 67.1461, and 67.1505)

This bill exempts a proposed entertainment district in the downtown area of St. Louis City from a statutory requirement to file a petition signed by more than 50% of all owners of real property within the proposed district's boundaries in order to be created.

The bill allows entertainment districts to hire and train peace officers certified by the POST commission to enforce laws within the entertainment district. No entertainment district may impose any tax that community improvement districts are authorized to impose by state law.

This bill provides that "state departments", as defined in the bill, may fund entertainment tourism, as defined in the bill, in any entertainment district if application is made to and approved by the Department of Economic Development (DED) by August 28, 2027.

Any annual expenditure by a state department must be limited to a portion of the tax revenues derived directly or indirectly from any promotion, development, and support of entertainment tourism supported by that annual expenditure within the entertainment district. This annual expenditure is subject to the agreement

between the entertainment district and the state department. The term of appropriations under such agreement cannot exceed 27 years. The annual appropriation is limited to 2.5 million before June 31, 2031 and 4.5 million after June 30, 2031.

The bill provides that the Director of the DED must make an annual written report on behalf of DED to the Governor and General Assembly within 90 days of the end of the fiscal year. This report must detail the fiscal impact for the State in the prior fiscal year and project the overall net fiscal impact of the annual expenditures to the State over the term of the agreement between the state department and the entertainment district.

SPECIAL TAX ASSESSMENT EXEMPTION (Sections 67.1521, 238.230, and 238.232)

This bill provides that all property owned by an entity that is exempt from taxation is exempt from any special assessment levied by a district with taxing authority so long as the property is used in the furtherance of the entity's tax-exempt purposes.

THEATER, CULTURAL ARTS, AND ENTERTAINMENT DISTRICTS (Section 67.2500)

Current law authorizes certain counties to establish a theater, cultural arts, and entertainment district. This bill adds counties that border the Lake of the Ozarks to the list of counties authorized to establish such districts.

WATERWAYS AND PORTS TRUST FUND (Section 68.080)

This bill specifies that funds in the Waterways and Ports Trust Fund may only be withdrawn at the request of a Missouri Port Authority for statutorily permitted port purposes and adds the City of St. Louis to the locations in which a capital improvement project may be sited in order to receive an appropriation from the Waterways and Ports Trust Fund.

WATER PROJECTS CONSTRUCTED BY THIRD CLASS CITIES (Section 77.150)

Currently, third class cities are authorized to acquire any real and personal property for the purpose of the construction of dams, lake and flood protection systems, bathhouses, therapeutic bathhouses, mineral water vending houses, and for the laying of pipelines for the distribution of mineral waters, provided that the properties are acquired, constructed, and maintained and operated without increasing the indebtedness of the city and are not paid for, maintained, or operated by taxes. This bill repeals the

prohibition on the use of indebtedness or taxes for the construction and operation of such projects.

NONELECTED BOARDS AND COMMISSIONS OF CERTAIN FOURTH CLASS CITIES (Section 79.235)

This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized, appoint a member of a nonelected board or commission, and if members of the board or commission are required to be residents of the city, the residency requirement is satisfied if the person appointed owns real property or a business in the city.

This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized to appoint a member of a nonelected board that manages a municipal utility, and if members of the board are required to be residents of the city, the residency requirement is satisfied if the:

- (1) Board cannot set utility rates or issue bonds;
- (2) Appointee resides within five miles of the city limits;
- (3) Appointee owns real property or a business in the city;
- (4) Appointee is a customer of the utility managed by the board;
and
- (5) Appointee has no pecuniary interest in any utility.

The provisions of this bill do not apply to any city within St. Louis County.

CONTRACTS WITH PUBLIC ENTITIES (Sections 107.170 and 513.455)

This bill adds the definition of a "public official" as it relates to public works contracts and modifies the definition of "public entity".

Current law requires public entities, when contracting for certain public works, to require the contractor to furnish a bond. This bill clarifies that the requirement only applies to property exempt from attachment and execution.

Currently, courthouses, jails, clerks' offices, and other buildings and the lots on which they stand owned by a county or municipality, as well as all burial grounds, are exempt from attachment and execution. This bill expands the exemption to other lands owned by the State; any public body corporate and politic; any county,

city, town, municipality; any road, water, sewer, fire, library, hospital, or school district; and any other political subdivision of this State.

The bill allows the State or any entity specified above to consent to have certain projects and the lands thereon, that are, or are intended to be, leased primarily to a private entity for nongovernmental use to become subject to the attachment of mechanics' liens filed under Chapter 429, RSMo if the consent is in writing, contains a legal description of the property subject to the attachment, and is acknowledged by an authorized official in a form that can be and is recorded in the office of the recorder of deeds for the county where the property is located. If such consent has been executed, no bond is required for the contracted work, from either the contractor or the public entity's lessee

Currently, a school board member is not required to independently confirm that a bond company exists and is solvent if a contractor represents that it is, but the school board member is not exempt from liability if he or she has actual knowledge of the insolvency or does not in good faith comply with the law in requiring the contractor to have a sufficient lawful bond. The bill expands both the lack of duty to verify the status of the bond company and the lack of exemption from liability for actual knowledge regarding a bond company from a school board member to all public officials.

ASSESSMENT OF MOTOR VEHICLES (Section 137.115)

Currently, the assessor of each county must use the October issue of the National Automobile Dealers' Association Official Used Car Guide (NADA) to determine the true value of motor vehicles.

This bill allows the State Tax Commission (STC) to choose a nationally recognized automotive trade publication such as the NADA, Kelley Blue Book, Edmunds, or another similar publication. The assessor of each county will then use the trade-in value published in the current October issue of the publication selected by the STC. For any vehicle with a true value of less than \$50,000 as of January 1, 2025, the assessor may not assess the motor vehicle for an amount greater than the vehicle was assessed in the previous year.

This provision is effective January 1, 2026.

PURCHASES OF PROPERTY BY LAND BANKS (Section 140.984)

Currently, for purchases of real property not made through a foreclosure sale or other certain circumstances, a land bank agency can only purchase real property if that property is adjacent to

real property already owned by such agency. This bill repeals that restriction.

SCHOOL BOARD CANDIDATE QUALIFICATIONS (Section 162.014)

This bill prohibits any person convicted of certain crimes from being a candidate for a member or director of a school board in any school district.

REGIONAL JAIL DISTRICTS (Sections 221.400, 221.402, 221.405, 221.407, and 221.410)

Currently, if any county wishes to join a district that has already been established, the agreement must be rewritten and reapproved by each member county. This bill adds the requirement that a county wanting to join an existing regional jail district that already levies a sales tax to first obtain approval from its voters to levy that sales tax and provide a rewritten agreement.

The bill adds equipping and maintaining jail facilities and leasing jail properties to the powers authorized to a jail district.

Currently, commissioners of regional jail districts must serve until their successors have been duly appointed. This bill specifies that commissioners must serve until their successors in their county offices have assumed office.

The bill increases the maximum authorized sales tax used to fund a regional jail district to up to 1% of retail sales made in the region and repeals the 12-month required interval between votes for voting on the jail district levy and joining the jail district. This bill expands the expenditures from the tax levy of the regional jail district to include any of the district's authorized purposes. Currently the provisions regarding regional jail districts expire on September 30, 2028; the bill repeals this expiration date.

This bill allows regional jail districts to buy, lease, or sell personal property for authorized purposes. Regional jail districts are authorized to contract with governmental entities, including departments and their instrumentalities, and private entities to house prisoner.

SPECIAL ROAD DISTRICT (Section 233.425)

This bill requires any special road district located in Bates County to submit to the voters no later than the November 2026 general election a question of whether to dissolve such district. If the voters approve such dissolution, the responsibilities and

outstanding obligations of the district shall be transferred to the county.

KANSAS CITY AREA TRANSPORTATION AUTHORITY (Section 238.060)

This bill clarifies that if there is a vacancy on the Kansas City Area Transportation Authority for a commissioner who was appointed from Platte County or Clay County, the mayor of Kansas City must appoint a successor from the panel, with the approval of a majority of the members of the Kansas City Council, submitted by the county commission of the county wherein the vacancy occurred.

ENTERTAINMENT DISTRICTS (Section 311.084)

This bill authorizes alcohol license holders located in entertainment districts established in any county that borders the Lake of the Ozarks to apply to the supervisor of alcohol and tobacco control for an entertainment district special license.

Licensed establishments may sell intoxicating liquor by the drink for consumption within the entertainment district during certain hours as provided in the bill. Patrons of licensed establishments may leave the establishment with a beverage and bring it into other areas of the entertainment district.

Establishments must pay an annual license fee of \$300. Establishments must mark beverage containers in a way that is unique to that licensee. A holder of an entertainment district special license will be solely responsible for alcohol violations occurring at its establishment and in any common areas.

CIRCUIT CLERK COMPENSATION (Section 483.083)

This bill amends the base salary structure for circuit clerks by increasing the base salaries, depending on classification of county, starting September 1, 2025. The bill requires an initial appropriation to fully fund the increase before the increase will go into effect.

Currently, the judge in Marion County can order child support payments to be paid through the circuit clerk. This bill repeals this provision.

COUNTY DAILY REIMBURSEMENT FOR JAIL SERVICES (Section 550.320)

This bill provides that when a person is sentenced to a term of imprisonment in a correctional center, the Department of Corrections must reimburse the county for the days the person spent in custody at a per diem cost not to exceed \$37.50 per day. The

sheriff or, in the case of St. Louis City, the chief executive officer, must certify the total number of days the offender spent in the jail. The sheriff or executive officer will then submit the total number of days to the Department, which will determine whether the expenses are eligible for reimbursement and remit any payment due back to the county. A claim must be submitted no later than two years from when the claim became eligible for reimbursement