

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1757

98TH GENERAL ASSEMBLY

5291H.02P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.1421, 67.1422, and 67.1471, RSMo, and to enact in lieu thereof three new sections relating to community improvement districts.

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

Section A. Sections 67.1421, 67.1422, and 67.1471, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1422, and 67.1471, to read as follows: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.

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16 (c) A notice that the signatures of the signers may not be withdrawn later than seven days
17 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, the improvements it will make and an estimate of costs of these services
20 and improvements to be incurred;

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

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

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

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

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

33 (j) The proposed length of time for the existence of the district;

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

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

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

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

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

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

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

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

47 Name of owner:

48 Owner's telephone number and mailing address:

49 If signer is different from owner:

50 Name of signer:

51 State basis of legal authority to sign:

52 Signer's telephone number and mailing address:

53 If the owner is an individual, state if owner is single or married:

54 If owner is not an individual, state what type of entity:

55 Map and parcel number and assessed value of each tract of real property within the proposed
56 district owned:

57 By executing this petition, the undersigned represents and warrants that he or she is authorized
58 to execute this petition on behalf of the property owner named immediately above.

59

60 Signature of person signing for owner Date

61 STATE OF MISSOURI)

62) ss.

63 COUNTY OF)

64 Before me personally appeared, to me personally known to be the
65 individual described in and who executed the foregoing instrument.

66 WITNESS my hand and official seal this day of (month), (year).

67

68 Notary Public

69 My Commission Expires:; and

70 (5) Alternatively[,] :

71 (a) The governing body of any home rule city with more than four hundred thousand
72 inhabitants and located in more than one county may file a petition to initiate the process to
73 establish a district in the portion of the city located in any county of the first classification with
74 more than two hundred thousand but fewer than two hundred sixty thousand inhabitants
75 containing the information required in subdivision (3) of this subsection; provided that the only
76 funding methods for the services and improvements will be a real property tax; or

77 (b) **The governing body of any municipality may file a petition to initiate the**
78 **process to establish a district. Any petition filed under this subdivision shall be signed by**
79 **an authorized representative of the municipality and contain the information required in**
80 **subdivision (3) of this subsection.**

81 3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not to
82 exceed ninety days after receipt of the petition, review and determine whether the petition
83 substantially complies with the requirements of subsection 2 of this section. In the event the
84 municipal clerk receives a petition which does not meet the requirements of subsection 2 of this
85 section, the municipal clerk shall, within a reasonable time, return the petition to the submitting
86 party by hand delivery, first class mail, postage prepaid or other efficient means of return and
87 shall specify which requirements have not been met.

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

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

100 (1) At any time prior to the close of the public hearing required pursuant to subsection
101 1 of this section; provided that, notice of the contents of the amended petition is given at the
102 public hearing;

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

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

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

117 **7. Prior to any assessment hereafter being levied against any real property within**
118 **any community improvement district and prior to any lien enforceable under either**
119 **chapter 140 or 141 being imposed after August 28, 2016, against any real property within**
120 **a community improvement district, the clerk of the governing body establishing the**
121 **community improvement district shall cause to be recorded with the recorder of deeds for**
122 **the county in which any portion of the community improvement district is located a**
123 **document conforming to the provisions of sections 59.310 and 59.313 and which shall**

124 contain at least the following information:

125

126 (1) Each and all owners of record of real property located within the community
127 improvement district at the time of recording, who shall be identified in the document as
128 grantors and indexed by the recorder, as required under section 59.440;

129 (2) The governing body establishing the community improvement district and the
130 title of any official or agency responsible for collecting or enforcing any assessments, who
131 shall be identified in the document as grantees and so indexed by the recorder, as required
132 under section 59.440;

133 (3) The legal description of the property within the community improvement
134 district, which may be either the metes and bounds description authorized in subdivision
135 (3) of subsection 2 of this section or the legal description of each lot or parcel within the
136 community improvement district; and

137 (4) The identifying number of the resolution or ordinance creating the community
138 improvement district or a copy of such resolution or ordinance.

67.1422. 1. Notwithstanding sections 67.1531, 67.1545, and 67.1551, if the petition was
2 filed pursuant to subdivision (5) of subsection 2 of section 67.1421 by a governing body of the
3 [city] municipality, the governing body may adopt an ordinance approving the petition and
4 submit a ballot to the qualified voters of the district[;] .

5 (1) For petitions filed under paragraph (a) of subdivision (5) of subsection 2 of
6 section 67.1421, the question shall be in substantially the following form:

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

14 YES NO

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

17 (2) For petitions filed under paragraph (b) of subdivision (5) of subsection 2 of
18 section 67.1421, the question shall be in substantially the following form:

19 Shall the community improvement district to be known as the ".....
20 Community Improvement District" approved by the (insert governing
21 body) be established for the purpose of (here summarize the proposed improvements and

22 services) and be authorized to impose a (insert type of tax) within the district at a rate of
23 not more than (insert rate) for a period of (insert duration) from the date on which such
24 tax is first imposed for the purpose of providing revenue for (insert general
25 description of purpose) in the district?

26 YES NO

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

29

30 If a majority of the qualified voters, as defined in section 67.1401, voting on the proposition
31 vote in favor of the proposition, then the district shall be created and the tax may be
32 imposed by the district's board of directors as provided in sections 67.1531, 67.1545, or
33 67.1551, as applicable, without further approval of the qualified voters of the district. If
34 the majority of qualified voters voting on the proposition reject the proposition, then the
35 governing body of the [city] municipality shall not [submit] resubmit the question to the
36 qualified voters of the district [on more than one occasion] for a period of at least one year.

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

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

67.1471. 1. The fiscal year for the district shall be the same as the fiscal year of the
2 municipality.

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

11 3. The board shall hold an annual meeting and adopt an annual budget no later than thirty
12 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 shall
14 submit a report to the municipal clerk and the Missouri department of economic development

15 stating the services provided, revenues collected and expenditures made by the district during
16 such fiscal year, and copies of written resolutions approved by the board during the fiscal year.
17 The municipal clerk shall retain this report as part of the official records of the municipality and
18 shall also cause this report to be spread upon the records of the governing body.

19 **5. The state auditor may audit a district in the same manner as the auditor may**
20 **audit any agency of the state.**

21 **6. It shall be the policy of the state that each district be administered with full**
22 **transparency to the public. The records of the board including, but not limited to, annual**
23 **reports, board votes and actions, meeting minutes, summaries of witness testimony, data,**
24 **and reports submitted to the board, shall be retained by the governing body of the**
25 **municipality that created the commission and shall be made available to the public in**
26 **accordance with chapter 610.**

✓