

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 772

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to citizen's land development cooperatives.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be known as section 620.850, to read as follows:

620.850. 1. This section shall be known and may be cited as the "Citizen's Land Development Cooperative Act".

2. As used in this section, the following terms shall mean:

(1) "Commission", the citizen's land development cooperative commission established in subsection 3 of this section;

(2) "Citizen's land development cooperative", a for-profit, citizen-owned, professionally managed real estate planning and development corporation or land cooperative that may:

(a) Receive title to land, natural resources, physical infrastructure, or facilities donated by a not-for-profit organization or government entity;

(b) Borrow money on behalf of its shareholders to purchase land, plan its use, and develop the land and natural resources for productive and ecologically suitable purposes; and

(c) Enable each citizen whose principal residence is situated in a local or regional area for which future development will be controlled by a citizen's land

development cooperative to acquire, free as a right of citizenship, an equal, lifetime, non-transferable, private property ownership stake in local land use and infrastructure development, share profits from land rentals, natural resource use or extraction revenues, and infrastructure user fees, and have a voice as an owner in the governance of future land development in the community;

(3) "Department", the Missouri department of economic development.

3. (1) There is hereby established within the department the citizen's land development cooperative commission.

(2) The commission shall consist of eleven members to be appointed by the governor, with the advice and consent of the senate, one of whom shall be designated as chair of the commission at the time of appointment.

(3) Of the members initially appointed, three members shall serve a term of one year, three members shall serve a term of two years, three members shall serve a term of three years, and two members, one of whom shall be the chair, shall serve a term of four years. Thereafter, all terms shall be for four years.

4. (1) The commission may begin to conduct business upon the appointment of a majority of the voting members, including the chair. The commission may adopt bylaws, and may establish committees and officers as it deems necessary.

(2) A majority of members of the commission shall constitute a quorum, and meetings of the commission shall be subject to the provisions of chapter 610. The commission shall afford an opportunity for public comment at each public meeting.

(3) All members of the commission shall serve without compensation for such service, but shall be reimbursed for

all necessary and actual expenses incurred by them in the performance of their official duties.

(4) Subject to appropriation, the department shall provide staff and administrative support services to the commission.

5. The commission shall gather information and make annual reports of recommendations to the governor and to the general assembly regarding the establishment and operation of citizen's land development cooperatives. The reports shall include recommendations concerning, without limitation:

(1) The establishment of policies regarding citizen's land development cooperatives;

(2) The approval of citizen's land development cooperatives throughout the state;

(3) The establishment of guidelines for citizens of localities to petition for local referenda to create citizen's land development cooperatives and to determine the participation plan for allocation, shareholder governance, and ownership rights, the issuance and cancellation of shares of citizen's land development cooperatives, and the disposition of assets in the event of the dissolution of a citizen's land development cooperative;

(4) The establishment of tax reforms that encourage the use and effectiveness of citizen's land development cooperatives through the exemption from all state and local taxes on the holdings of land, natural resources, improvements, other tangible and intangible assets, undistributed capital gains, and undistributed profits, provided that at least ninety percent of the annual profits are distributed as taxable dividends, other forms of taxable distributions to its shareholders and workers, and debt service payments on its loans;

(5) The rendering of assistance to localities on problems, concerns, and issues related to the development of citizen's land development cooperatives;

(6) The undertaking of studies and gathering information and data to accomplish the purposes as set forth in this section and to formulate and present recommendations to the governor and the general assembly;

(7) Applying for, accepting, and expending gifts, grants, loans, or donations from public, quasi-public, or private sources, including any matching funds as may be designated in an appropriation to the department, to enable the commission to carry out its purpose; and

(8) Accounting annually on its fiscal activities, including any matching funds received or expended by the commission.

6. (1) Subject to appropriation, the department shall develop and maintain a program to make grants to communities seeking to establish citizen's land development cooperatives and encourage them to become self-sustaining from land rentals and other fees within the first five years of their formation. The procedures for grant application shall be established by the department by rule.

(2) The commission shall seek funding from local, state, federal, and private sources to make grants and loans and otherwise enhance the development of citizen's land development cooperatives. The department shall advise the commission of all available sources of funding for economic development that it is aware of and shall assist the commission and citizen's land development cooperatives in securing such funding.

(3) Funds received pursuant to this section shall be deposited into the citizen's land development cooperative fund, which is hereby created in the state treasury. The

state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. Moneys in the fund shall be expended solely for the purposes of this section.

7. The department shall establish rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.