SECOND REGULAR SESSION

HOUSE BILL NO. 2011

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CUNNINGHAM, LIESE, FRASER (Co-sponsors) AND HOLAND.

Read 1st time February 20, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

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AN ACT

To amend chapter 67, RSMo, by adding thereto four new sections relating to equalization of local governmental services for homeowners within common-interest communities, with an effective date.

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

- Section A. Chapter 67, RSMo, is amended by adding thereto four new sections, to be known as sections 67.2115, 67.2118, 67.2121, and 67.2124, to read as follows:
- 67.2115. Sections 67.2115 to 67.2124 shall be known as the "Missouri Equalization of Local Governmental Services for Homeowners Act".
- 67.2118. For the purposes of sections 67.2115 to 67.2124, the following terms shall mean:
- (1) "Common-interest community", real property which a person, by virtue of such person's ownership of a unit, is obligated to pay for real property taxes, insurance premiums, maintenance, or improvement of other real property described in a declaration;
- (2) "Condominium", any real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real estate is not a condominium unless the undivided interest in the common elements are vested in the unit owners;
- (3) "Cooperative", a common-interest community in which the real property is owned by an association, each of whose members are entitled by virtue of such member's ownership interest in the association to exclusive possession of a unit;
- (4) "Planned community", a common-interest community that is not a condominium or a cooperative;
- 15 (5) "Qualified common-interest community", a residential common-interest

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community, the residents of which do not receive any tax abatement or tax exemption related to its construction, comprised of a condominium association, cooperative 17 corporation, or homeowners association of a planned community, in which the cost of 18 19 providing essential services is paid for by a nonprofit organization consisting exclusively 20 of lot owners or unit owners within the community, regardless of whether the developer 21 has transferred control of such organization to the owners. No apartment building owned 22 by an individual or entity that receives rental payments from tenants who occupy the 23 premises, nor any campground facility, nor any common-interest community in which fifty 24 percent or more of the lots or units are held for lease, shall be considered a qualified 25 common-interest community.

- 67.2121. 1. Except as otherwise provided in subsection 2 of this section, the governing body of every political subdivision shall reimburse a qualified common-interest community for the cost of collection of trash, garbage, leaves, and recyclable materials or provide the service of collecting trash, garbage, leaves, and recyclable materials within a qualified common-interest community to the same extent as the political subdivision provides these services to other owners of individual residential properties within such political subdivisions.
- 2. In the event the governing body of a political subdivision elects to reimburse the qualified common-interest community for any services set forth in subsection 1 of this section, such reimbursement shall be made at the end of the calendar year and shall be limited to the annual expenditures for the preceding calendar year actually incurred by the qualified common-interest community. Reimbursement shall be made on the basis of the following budget years of the political subdivision, beginning January 1, 2003:
 - (1) In the first local budget year, twenty percent of the cost of services;
 - (2) In the second local budget year, forty percent of the cost of services;
 - (3) In the third local budget year, sixty percent of the cost of services;
 - (4) In the fourth local budget year, eighty percent of the cost of services; and
- (5) In the fifth local budget year and thereafter, one hundred percent of the cost of services.

The political subdivision may annually elect to provide any or all of the services set forth in subsection 1 of this section in lieu of reimbursement.

67.2124. The governing body of the political subdivision shall enter into a written agreement with every qualifying common-interest community within its jurisdiction to implement the political subdivision's responsibilities pursuant to sections 67.2115 to 67.2124. For each service, the cost of which is reimbursed, the governing body of the

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 $5\quad \hbox{political subdivision shall disclose the cost basis for the amount of the reimbursement.}$

Section B. Section A of this act shall become effective January 1, 2003.