

HB 147 -- School Improvement Districts

Sponsor: Hughes

This bill establishes the School Improvement District Act, which allows any municipality or county to establish one or more school improvement districts. Each district must be a not-for-profit corporation organized under Chapter 355, RSMo. To form a district, a petition must be filed with the municipal clerk. The bill specifies the requirements of the petition, which must include a five-year plan stating the purposes of the proposed district, the services it will provide, the improvements it will make, and an estimate of its costs.

Within 45 days after the receipt of a verified petition from the municipal clerk, the governing body of the municipality in which the proposed district is located must hold a public hearing and may adopt an ordinance to establish the district. The municipal clerk must report in writing the establishment of the district to the Department of Economic Development. The district will be governed by a board of between five and 30 directors. The bill specifies the qualifications and terms of the board members.

Each district will have all the powers necessary to carry out its purposes, except those which were specifically limited in the petition that was approved by the governing body.

A district must:

- (1) Annually reimburse the municipality for the reasonable and actual expenses it incurs as a result of the district, up to 1.5% of the revenues collected by the district in that year;
- (2) Submit its annual budget to the municipal governing body for review. The governing body can make recommendations regarding the budget, but cannot require that changes be made; and
- (3) Submit an annual report to the municipal clerk and the department with certain specified information.

A district may:

- (1) Issue bonds to carry out its powers, duties, or purposes and enter into cooperative agreements with a variety of entities who can issue bonds and loan the proceeds to the district;
- (2) Use any funding method available to community improvement districts established under Sections 67.1401 - 67.1571;
- (3) Establish different classes of real property within the

district for special assessments; and

(4) Levy, by resolution, one or more special assessments against real property within the boundaries of the district upon receipt of a petition signed by owners of real property collectively owning more than 50% by assessed value of real property within the district and more than 50% per capita of the owners of all real property within the district. The petition must specify the maximum levy amount. However, by resolution of the board, the district may levy a special assessment rate lower than the maximum rate specified in the petition and may increase the levy without further approval of the district's real property owners if the rate increase does not exceed the rate ceiling specified in the petition.

A separate fund or account must be created by the district for each special assessment levied. The proceeds of each assessment must be credited to the appropriate fund or account and used solely to pay the costs incurred in undertaking the specified service or project.

A municipality in which any part of a district is located may, by ordinance, create a school improvement district municipal fund in its treasury. The bill specifies how the funds may be used.