

SECOND REGULAR SESSION

HOUSE BILL NO. 2235

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HILL.

3528H.02I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, and 67.1545, RSMo, and to enact in lieu thereof six new sections relating to community improvement districts, with penalty provisions.

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

Section A. Sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, and 67.1545, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, and 67.1545, to read as follows: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16 (c) A notice that the signatures of the signers may not be withdrawn later than seven days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]~~ **each improvement** it will make ~~[and]~~ **from the list**
20 **of allowable improvements under section 67.1461**, an estimate of ~~the~~ costs of these services
21 and improvements to be incurred, **the anticipated sources of funds to pay the costs, and the**
22 **anticipated term of the sources of funds to pay the costs;**

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

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

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

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

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

35 (j) The proposed length of time for the existence of the district, **which shall not be more**
36 **than twenty-one years from the adoption of the ordinance establishing the district unless**
37 **the municipality extends the length of time under section 67.1481;**

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

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

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

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

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

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

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

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

51

88 section, the municipal clerk shall, within a reasonable time, return the petition to the submitting
89 party by hand delivery, first class mail, postage prepaid or other efficient means of return and
90 shall specify which requirements have not been met.

91 4. After the close of the public hearing required pursuant to subsection 1 of this section,
92 the governing body of the municipality may adopt an ordinance approving the petition and
93 establishing a district as set forth in the petition and may determine, if requested in the petition,
94 whether the district, or any legally described portion thereof, constitutes a blighted area. If the
95 petition was filed by the governing body of a municipality pursuant to subdivision (5) of
96 subsection 2 of this section, after the close of the public hearing required pursuant to subsection
97 1 of this section, the petition may be approved by the governing body and an election shall be
98 called pursuant to section 67.1422.

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

103 (1) At any time prior to the close of the public hearing required pursuant to subsection
104 1 of this section; provided that, notice of the contents of the amended petition is given at the
105 public hearing;

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

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

118 6. Upon the creation of a district, the municipal clerk shall report in writing the creation
119 of such district to the Missouri department of economic development **and the state auditor.**

67.1451. 1. If a district is a political subdivision, the election and qualifications of
2 members to the district's board of directors shall be in accordance with this section. If a district
3 is a not-for-profit corporation, the election and qualification of members to its board of directors
4 shall be in accordance with chapter 355.

5 2. (1) The district shall be governed by a board consisting of at least five but not more
6 than thirty directors.

7 (2) **Except as otherwise provided in this subsection**, each director shall, during his or
8 her entire term~~], be~~:

9 ~~[(1)]~~ (a) **Be** at least eighteen years of age; ~~[and~~

10 ~~——(2)]~~ (b) **Be** either:

11 ~~[(a)]~~ a. An owner, as defined in section 67.1401, of real property or of a business
12 operating within the district; or

13 ~~[(b)]~~ b. A registered voter residing within the district; and

14 ~~[(3)]~~ (c) **Satisfy** any other qualifications set forth in the petition establishing the district.

15 (3) **If there are no registered voters in the district, at least one director shall, during**
16 **his or her entire term, be a person who:**

17 (a) **Resides within the municipality that established the district;**

18 (b) **Is qualified and registered to vote under chapter 115 according to the records**
19 **of the election authority as of the thirtieth day prior to the date of the applicable election;**

20 (c) **Has no financial interest in any real property or business operating within the**
21 **district; and**

22 (d) **Is not a relative within the second degree of consanguinity or affinity to an**
23 **owner of real property or a business operating in the district.**

24 (4) If there are fewer than five owners of real property located within a district, the board
25 may be comprised of up to five legally authorized representatives of any of the owners of real
26 property located within the district.

27 3. If the district is a political subdivision, the board shall be elected or appointed, as
28 provided in the petition. **However, if the board is to be elected, the petition shall require at**
29 **least one member of the board be appointed by the governing body of the municipality in**
30 **the same manner as provided in this section for board appointments. The appointed board**
31 **member shall serve a four-year term.**

32 4. If the board is to be elected, the procedure for election shall be as follows:

33 (1) The municipal clerk shall specify a date on which the election shall occur which date
34 shall be a Tuesday and shall not be earlier than the tenth Tuesday, and shall not be later than the
35 fifteenth Tuesday, after the effective date of the ordinance adopted to establish the district;

36 (2) The election shall be conducted in the same manner as provided for in section
37 67.1551, provided that the published notice of the election shall contain the information required
38 by section 67.1551 for published notices, except that it shall state that the purpose of the election
39 is for the election of directors, in lieu of the information related to taxes;

40 (3) Candidates shall pay the sum of five dollars as a filing fee and shall file not later than
41 the second Tuesday after the effective date of the ordinance establishing the district with the
42 municipal clerk a statement under oath that he or she possesses all of the qualifications set out
43 in this section for a director. Thereafter, such candidate shall have his or her name placed on the
44 ballot as a candidate for director;

45 (4) The director or directors to be elected shall be elected at large. The person receiving
46 the most votes shall be elected to the position having the longest term; the person receiving the
47 second highest votes shall be elected to the position having the next longest term and so forth.
48 For any district formed prior to August 28, 2003, of the initial directors, one-half shall serve for
49 a two-year term, one-half shall serve for a four-year term and if an odd number of directors are
50 elected, the director receiving the least number of votes shall serve for a two-year term, until
51 such director's successor is elected. For any district formed on or after August 28, 2003, for the
52 initial directors, one-half shall serve for a two-year term, and one-half shall serve for the term
53 specified by the district pursuant to subdivision (5) of this subsection, and if an odd number of
54 directors are elected, the director receiving the least number of votes shall serve for a two-year
55 term, until such director's successor is elected;

56 (5) Successor directors shall be elected in the same manner as the initial directors. The
57 date of the election of successor directors shall be specified by the municipal clerk which date
58 shall be a Tuesday and shall not be later than the date of the expiration of the stated term of the
59 expiring director. Each successor director shall serve a term for the length specified prior to the
60 election by the district, which term shall be at least three years and not more than four years, and
61 shall continue until such director's successor is elected.

62

63 In the event of a vacancy on the board of directors, the remaining directors shall elect an interim
64 director to fill the vacancy for the unexpired term.

65 5. If the petition provides that the board is to be appointed by the municipality, such
66 appointments shall be made by the chief elected officer of the municipality with the consent of
67 the governing body of the municipality. For any district formed prior to August 28, 2003, of the
68 initial appointed directors, one-half of the directors shall be appointed to serve for a two-year
69 term and the remaining one-half shall be appointed to serve for a four-year term until such
70 director's successor is appointed; provided that, if there is an odd number of directors, the last
71 person appointed shall serve a two-year term. For any district formed on or after August 28,
72 2003, of the initial appointed directors, one-half shall be appointed to serve for a two-year term,
73 and one-half shall be appointed to serve for the term specified by the district for successor
74 directors pursuant to this subsection, and if an odd number of directors are appointed, the last
75 person appointed shall serve for a two-year term; provided that each director shall serve until

76 such director's successor is appointed. Successor directors shall be appointed in the same manner
77 as the initial directors and shall serve for a term of years specified by the district prior to the
78 appointment, which term shall be at least three years and not more than four years.

79 6. If the petition states the names of the initial directors, those directors shall serve for
80 the terms specified in the petition and successor directors shall be determined either by the
81 above-listed election process or appointment process as provided in the petition.

82 7. Any director may be removed for cause by a two-thirds affirmative vote of the
83 directors of the board. Written notice of the proposed removal shall be given to all directors
84 prior to action thereon.

85 8. The board is authorized to act on behalf of the district, subject to approval of qualified
86 voters as required in this section; except that, all official acts of the board shall be by written
87 resolution approved by the board.

67.1461. 1. Each district shall have all the powers, except to the extent any such power
2 has been limited by the petition approved by the governing body of the municipality to establish
3 the district, necessary to carry out and effectuate the purposes and provisions of sections 67.1401
4 to 67.1571 including, but not limited to, the following:

5 (1) To adopt, amend, and repeal bylaws, not inconsistent with sections 67.1401 to
6 67.1571, necessary or convenient to carry out the provisions of sections 67.1401 to 67.1571;

7 (2) To sue and be sued;

8 (3) To make and enter into contracts and other instruments, with public and private
9 entities, necessary or convenient to exercise its powers and carry out its duties pursuant to
10 sections 67.1401 to 67.1571;

11 (4) To accept grants, guarantees and donations of property, labor, services, or other
12 things of value from any public or private source;

13 (5) To employ or contract for such managerial, engineering, legal, technical, clerical,
14 accounting, or other assistance as it deems advisable;

15 (6) To acquire by purchase, lease, gift, grant, bequest, devise, or otherwise, any real
16 property within its boundaries, personal property, or any interest in such property;

17 (7) To sell, lease, exchange, transfer, assign, mortgage, pledge, hypothecate, or otherwise
18 encumber or dispose of any real or personal property or any interest in such property;

19 (8) To levy and collect special assessments and taxes as provided in sections 67.1401
20 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from
21 taxation pursuant to subdivision (5) of section 137.100. Those exempt pursuant to subdivision
22 (5) of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to
23 67.1571;

24 (9) If the district is a political subdivision, to levy real property taxes and business
25 license taxes in the county seat of a county of the first classification containing a population of
26 at least two hundred thousand, as provided in sections 67.1401 to 67.1571. However, no such
27 assessments or taxes shall be levied on any property exempt from taxation pursuant to
28 subdivisions (2) and (5) of section 137.100. Those exempt pursuant to subdivisions (2) and (5)
29 of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

30 (10) If the district is a political subdivision, to levy sales taxes pursuant to sections
31 67.1401 to 67.1571;

32 (11) To fix, charge, and collect fees, rents, and other charges for use of any of the
33 following:

34 (a) The district's real property, except for public rights-of-way for utilities;

35 (b) The district's personal property, except in a city not within a county; or

36 (c) Any of the district's interests in such real or personal property, except for public
37 rights-of-way for utilities;

38 (12) To borrow money from any public or private source and issue obligations and
39 provide security for the repayment of the same as provided in sections 67.1401 to 67.1571;

40 (13) To loan money as provided in sections 67.1401 to 67.1571;

41 (14) To make expenditures, create reserve funds, and use its revenues as necessary to
42 carry out its powers or duties and the provisions and purposes of sections 67.1401 to 67.1571;

43 (15) To enter into one or more agreements with the municipality for the purpose of
44 abating any public nuisance within the boundaries of the district including, but not limited to,
45 the stabilization, repair or maintenance or demolition and removal of buildings or structures,
46 provided that the municipality has declared the existence of a public nuisance;

47 (16) Within its boundaries, to provide assistance to or to construct, reconstruct, install,
48 repair, maintain, and equip any of the following public improvements:

49 (a) Pedestrian or shopping malls and plazas;

50 (b) Parks, lawns, trees, and any other landscape;

51 (c) Convention centers, arenas, aquariums, aviaries, and meeting facilities;

52 (d) Sidewalks, streets, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic
53 signs and signals, utilities, drainage, water, storm and sewer systems, and other site
54 improvements;

55 (e) Parking lots, garages, or other facilities;

56 (f) Lakes, dams, and waterways;

57 (g) Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees,
58 awnings, canopies, walls, and barriers;

59 (h) Telephone and information booths, bus stop and other shelters, rest rooms, and
60 kiosks;

61 (i) Paintings, murals, display cases, sculptures, and fountains;

62 (j) Music, news, and child-care facilities; and

63 (k) Any other useful, necessary, or desired **public** improvement **specified in the**
64 **petition;**

65 (17) To dedicate to the municipality, with the municipality's consent, streets, sidewalks,
66 parks, and other real property and improvements located within its boundaries for public use;

67 (18) Within its boundaries and with the municipality's consent, to prohibit or restrict
68 vehicular and pedestrian traffic and vendors on streets, alleys, malls, bridges, ramps, sidewalks,
69 and tunnels and to provide the means for access by emergency vehicles to or in such areas;

70 (19) Within its boundaries, to operate or to contract for the provision of music, news,
71 child-care, or parking facilities, and buses, minibuses, or other modes of transportation;

72 (20) Within its boundaries, to lease space for sidewalk cafe tables and chairs;

73 (21) Within its boundaries, to provide or contract for the provision of security personnel,
74 equipment, or facilities for the protection of property and persons;

75 (22) Within its boundaries, to provide or contract for cleaning, maintenance, and other
76 services to public and private property;

77 (23) To produce and promote any tourism, recreational or cultural activity or special
78 event in the district by, but not limited to, advertising, decoration of any public place in the
79 district, promotion of such activity and special events, and furnishing music in any public place;

80 (24) To support business activity and economic development in the district including,
81 but not limited to, the promotion of business activity, development and retention, and the
82 recruitment of developers and businesses;

83 (25) To provide or support training programs for employees of businesses within the
84 district;

85 (26) To provide refuse collection and disposal services within the district;

86 (27) To contract for or conduct economic, planning, marketing or other studies;

87 (28) To repair, restore, or maintain any abandoned cemetery on public or private land
88 within the district; and

89 (29) To carry out any other powers set forth in sections 67.1401 to 67.1571.

90 2. Each district which is located in a blighted area or which includes a blighted area shall
91 have the following additional powers:

92 (1) Within its blighted area, to contract with any private property owner to demolish and
93 remove, renovate, reconstruct, or rehabilitate any building or structure owned by such private
94 property owner; and

95 (2) To expend its revenues or loan its revenues pursuant to a contract entered into
96 pursuant to this subsection, provided that the governing body of the municipality has determined
97 that the action to be taken pursuant to such contract is reasonably anticipated to remediate the
98 blighting conditions and will serve a public purpose.

99 3. Each district shall annually reimburse the municipality for the reasonable and actual
100 expenses incurred by the municipality to establish such district and review annual budgets and
101 reports of such district required to be submitted to the municipality; provided that, such annual
102 reimbursement shall not exceed one and one-half percent of the revenues collected by the district
103 in such year.

104 4. Nothing in sections 67.1401 to 67.1571 shall be construed to delegate to any district
105 any sovereign right of municipalities to promote order, safety, health, morals, and general
106 welfare of the public, except those such police powers, if any, expressly delegated pursuant to
107 sections 67.1401 to 67.1571.

108 5. The governing body of the municipality establishing the district shall not decrease the
109 level of publicly funded services in the district existing prior to the creation of the district or
110 transfer the financial burden of providing the services to the district unless the services at the
111 same time are decreased throughout the municipality, nor shall the governing body discriminate
112 in the provision of the publicly funded services between areas included in such district and areas
113 not so included.

114 **6. No contract for construction or professional services shall be entered into by the**
115 **district unless the contract is submitted to competitive bidding and the contract is awarded**
116 **to the lowest or best bidder. Notice of the letting of the contracts shall be given in the**
117 **manner provided by section 8.250.**

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 report shall state** the services provided, revenues collected, and expenditures
16 made by the district during such fiscal year~~[-]~~ ; **state the dates the district adopted its annual**
17 **budget, submitted its proposed annual budget to the municipality, and submitted its**
18 **annual report to the municipal clerk;** and **include** copies of written resolutions approved by
19 the board during the fiscal year. The municipal clerk shall retain this report as part of the official
20 records of the municipality and shall also cause this report to be spread upon the records of the
21 governing body.

22 5. The state auditor may audit a district in the same manner as the auditor may audit any
23 agency of the state.

24 **6. Any district that fails to timely submit a proposed annual budget to the**
25 **municipality, adopt an annual budget, or submit its annual report to the municipal clerk**
26 **and the department of economic development shall be subject to a fine of one hundred**
27 **dollars per day. Any fine under this subsection shall be imposed and collected by the**
28 **department of economic development and paid into the public school fund of the**
29 **municipality in which the district is located.**

67.1481. 1. Each ordinance establishing a district shall set forth the term for the
2 existence of such district which term may be defined as a minimum, maximum, or definite
3 number of years, **but the term shall not exceed twenty-one years except as provided under**
4 **subsection 6 of this section.**

5 2. Upon receipt by the municipal clerk of a proper petition and after notice and a public
6 hearing, any district may be terminated by ordinance adopted by the governing body of the
7 municipality prior to the expiration of its term if the district has no outstanding obligations. A
8 copy of such ordinance shall be given to the department of economic development.

9 3. A petition for the termination of a district is proper if:

10 (1) It names the district to be terminated;

11 (2) It has been signed by owners of real property collectively owning more than fifty
12 percent by assessed value of real property within the boundaries of the district;

13 (3) It has been signed by more than fifty percent per capita of owners of real property
14 within the boundaries of the district;

15 (4) It contains a plan for dissolution and distribution of the assets of the district; and

16 (5) The signature block signed by each petitioner is in the form set forth in subdivision
17 (4) of subsection 2 of section 67.1421.

18 4. The public hearing required by this section shall be held and notice of such public
19 hearing shall be given in the manner set forth in section 67.1431. The notice shall contain the
20 following information:

21 (1) The date, time and place of the public hearing;

22 (2) A statement that a petition requesting the termination of the district has been filed
23 with the municipal clerk;

24 (3) A statement that a copy of the petition is available at the office of the municipal clerk
25 during regular business hours; and

26 (4) A statement that all interested parties will be given an opportunity to be heard.

27 5. Upon expiration or termination of a district, the ~~assets~~ **real or personal property,**
28 **machinery, equipment, materials, and supplies** of such district shall **either** be ~~distributed~~
29 **sold or transferred** in accordance with the plan for dissolution as approved by ordinance.
30 ~~[Every effort should be made by the municipality for the assets of the district to be distributed~~
31 ~~in such a manner so as to benefit the real property which was formerly a part of the district.]~~ **All**
32 **proceeds of sold property and district funds shall be distributed to the public school fund**
33 **of the municipality in which the district is located.**

34 6. **Prior to the expiration of the term of a district, a municipality may adopt an**
35 **ordinance to extend the term of the existence of a district after holding a public hearing on**
36 **the proposed extension. The extended term may be defined as a minimum, maximum, or**
37 **definite number of years, but the extended term shall not exceed twenty-one years. Notice**
38 **of the hearing shall be given in the same manner as required under section 67.1431, except**
39 **the notice shall include the time, date, and place of the public hearing; the name of the**
40 **district; a map showing the boundaries of the existing district; and a statement that all**
41 **interested persons shall be given an opportunity to be heard at the public hearing.**

67.1545. 1. Any district formed as a political subdivision may impose by resolution a
2 district sales and use tax on all retail sales made in such district which are subject to taxation
3 pursuant to sections 144.010 to 144.525, except sales of motor vehicles, trailers, boats or
4 outboard motors and sales to or by public utilities and providers of communications, cable, or
5 video services. Any sales and use tax imposed pursuant to this section may be imposed in
6 increments of one-eighth of one percent, up to a maximum of one percent. Such district sales
7 and use tax may be imposed for any district purpose designated by the district in its ballot of
8 submission to its qualified voters; except that, no resolution adopted pursuant to this section shall
9 become effective unless the board of directors of the district submits to the qualified voters of
10 the district, by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this section.
11 If a majority of the votes cast by the qualified voters on the proposed sales tax are in favor of the

12 sales tax, then the resolution is adopted. If a majority of the votes cast by the qualified voters
13 are opposed to the sales tax, then the resolution is void.

14 2. The ballot shall be substantially in the following form:

15 Shall the _____ (insert name of district) Community Improvement District
16 impose a community improvement districtwide sales and use tax at the maximum
17 rate of _____ (insert amount) for a period of _____ (insert number) years from
18 the date on which such tax is first imposed for the purpose of providing revenue
19 for _____ (insert general description of the purpose)?

20 YES NO

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

23 3. Within ten days after the qualified voters have approved the imposition of the sales
24 and use tax, the district shall, in accordance with section 32.087, notify the director of the
25 department of revenue. The sales and use tax authorized by this section shall become effective
26 on the first day of the second calendar quarter after the director of the department of revenue
27 receives notice of the adoption of such tax.

28 4. The director of the department of revenue shall collect any tax adopted pursuant to this
29 section pursuant to section 32.087.

30 5. In each district in which a sales and use tax is imposed pursuant to this section, every
31 retailer shall add such additional tax imposed by the district to such retailer's sale price, and when
32 so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser
33 to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

34 6. In order to allow retailers to collect and report the sales and use tax authorized by this
35 section as well as all other sales and use taxes required by law in the simplest and most efficient
36 manner possible, a district may establish appropriate brackets to be used in the district imposing
37 a tax pursuant to this section in lieu of the brackets provided in section 144.285.

38 7. The penalties provided in sections 144.010 to 144.525 shall apply to violations of this
39 section.

40 8. All revenue received by the district from a sales and use tax imposed pursuant to this
41 section which is designated for a specific purpose shall be deposited into a special trust fund and
42 expended solely for such purpose. Upon the expiration of any sales and use tax adopted pursuant
43 to this section, all funds remaining in the special trust fund shall continue to be used solely for
44 the specific purpose designated in the resolution adopted by the qualified voters. Any funds in
45 such special trust fund which are not needed for current expenditures may be invested by the
46 board of directors pursuant to applicable laws relating to the investment of other district funds.

47 9. A district may repeal by resolution any sales and use tax imposed pursuant to this
48 section before the expiration date of such sales and use tax unless the repeal of such sales and
49 use tax will impair the district's ability to repay any liabilities the district has incurred, moneys
50 the district has borrowed or obligation the district has issued to finance any improvements or
51 services rendered for the district.

52 10. Notwithstanding the provisions of chapter 115, an election for a district sales and use
53 tax under this section shall be conducted in accordance with the provisions of this section.

54 **11. In each district in which a sales tax is imposed under this section:**

55 **(a) The board shall post a sign outdoors near each customer entrance of each retail**
56 **establishment in the district. The sign shall be no smaller than one foot by two feet with**
57 **the writing thereon clearly legible and no smaller than three-quarters inch in height; and**

58 **(b) Every retailer shall prominently display a sign at the point of sale area.**

59

60 **The signs shall substantively state: "The _____ Community Improvement District**
61 **board of directors charges a sales tax of _____ percent at (this/these) (retailer/retailers) in**
62 **addition to the state and local sales tax rates of _____ percent."**

✓