

HS HCS HB 441 -- POLITICAL SUBDIVISIONS (Falkner)

COMMITTEE OF ORIGIN: Standing Committee on Local Government

COUNTY REGULATIONS (Section 49.266)

This bill authorizes the county commission in all noncharter counties to promulgate reasonable regulations concerning the use of county property. Currently, the county commissions in all first, second, and fourth counties are authorized to promulgate the regulations. The bill also repeals a version of this section included in a bill that was held unconstitutional in total.

PUBLISHING REQUIREMENT FOR COUNTY FINANCIAL STATEMENTS (Sections 50.815 and 50.820)

This bill requires all non-charter counties, by the first Monday in March, to prepare and publish in a qualified newspaper a financial statement for the previous year.

The financial statement shall include the name, office, and current gross annual salary of each elected or appointed county official whose salary is set by the County Salary Commission.

The County Clerk or other officer responsible for the preparation of the financial statement shall preserve the documents relied upon in the making of the financial statements and shall provide an electronic copy free of charge to any newspaper requesting a copy of the data.

Currently, these requirements only apply to counties of the first classification.

COUNTY PLANNING AND ZONING COMMISSIONS MEETING FEES (Sections 64.805 and 64.870)

This bill increases the meeting fee for members of a county planning commission from not more than \$25 per meeting to not more than \$75 per meeting.

The bill also establishes a meeting fee for members of a county board of zoning adjustment of not more than \$75 per meeting.

COMMUNITY IMPROVEMENT DISTRICTS (Sections 67.1421, 67.1451, 67.1461, 67.1481, and 67.1545)

This bill makes changes to the community improvement district laws. In its main provisions, the bill:

(1) Adds the anticipated source of funds to pay improvement costs, and the anticipated term of the source of funds to the list of items that must be included in the five-year plan that is required to be included in a petition to establish a community improvement district;

(2) Limits the duration of the district to 27 years unless the municipality extends the time pursuant to statute;

(3) Requires a municipal clerk to report in writing the creation of a community improvement district to the state auditor;

(4) Sets out the qualifications for a district director if there are no registered voters in the district;

(5) Provides that even if the board of directors is to be elected pursuant to the petition to establish the district, a least one member must be appointed for a four-year term by the governing body of the municipality.

Contracts for construction of any improvement to be owned by the district must be submitted to competitive bidding and must be awarded to the lowest or best bidder. Notice of letting of the contract must be given in the manner provided in Section 8.250, RSMo.

Currently, community improvement districts are required, within 120 days after the end of the fiscal year, to submit a report to the municipal clerk and the Department of Economic Development stating the services provided, revenues collected, and expenditures made by the district during the fiscal year. The bill requires that the report include the dates the district adopted its annual budget, submitted its proposed annual budget to the municipality, and submitted its annual report to the municipal clerk.

When a district expires or terminates, the assets of the district must be sold or transferred according to the plan for dissolution approved by ordinance.

If a sales tax is imposed by a district, every retailer must prominently display in the cash register area the rate of the sales tax imposed or increased.

RESIDENCY REQUIREMENTS FOR CERTAIN CITY OFFICIALS (Sections 79.235)

The bill also provides that, for a city of the fourth classification with no more than 2,000 inhabitants, if a statute or ordinance authorizes the mayor to appoint a member of a local board or commission, any requirement that the appointed person be a

resident of the city will be deemed satisfied if the person owns real property or a business in the city, regardless of whether the position to which the appointment is made is considered an officer of the city.

The bill also provides that, for a city of the fourth classification with no more than 2,000 inhabitants, if a statute or ordinance authorizes the mayor to appoint a member of a board that manages a municipal utility, any requirement that the appointed person be a resident of the city will be deemed satisfied only if the following conditions are met:

- (1) The board has no authority to set utility rates or to issue bonds;
- (2) The person resides within five miles of the city limits;
- (3) The person owns real property or a business in the city;
- (4) The person or the person's business is a customer of a public utility, as described under Section 91.450, RSMo managed by the board; and
- (5) The person has no pecuniary interest in, and is not a board member of, any utility company that offers the same type of service as a utility managed by the board.

ANNUAL FINANCIAL STATEMENTS FILED WITH THE STATE AUDITOR (Section 105.145)

This bill changes the laws regarding the consequences to a political subdivision for failure to file an annual financial statement with the State Auditor as required.

The bill provides that the mayor of a municipality must also receive notice by certified mail from the Department of Revenue that the statement has not been received by the State Auditor.

If the failure to submit the annual financial statement was a result of fraud or other illegal conduct by any employee, the failure shall not result in a fine.

Any political subdivision that has gross revenues of less than \$5,000 or that has not levied a sales or use tax is not subject to the fine.

In addition, the Director of the Department of Revenue has the authority to make a one-time downward adjustment to any fine he or she deems uncollectible.

The first time a political subdivision that has outstanding fines due files its financial statement after January 1, 2022, the Director will make a one-time downward adjustment of the total amount due.

The question of whether the political subdivision should be disincorporated shall be submitted to the voters of that political subdivision at the next general election. The election authority for conducting the election shall give notice of the election for eight consecutive weeks prior to the election by publication in a newspaper as specified in the bill. Upon an affirmative vote of a majority of the qualified voters, the Director shall file an action to disincorporate the political subdivision in the circuit court.

In an action to disincorporate, the circuit court shall order: the appointment of an administrative authority for the political subdivision as specified; all financial and other institutions holding funds of the political subdivision to honor the directives of the administrative authority; the Director to distribute tax revenues and funds of the political subdivision to the administrative authority; and the effective date of the disincorporation of the political subdivision.

The Attorney General will also have the authority to file an action in court against any political subdivision that fails to comply with these provisions in order to compel the political subdivision into compliance.

Currently, political subdivisions that fail to submit the required annual financial statement to the State Auditor are fined \$500 a day.

This bill reduces the fine to an amount of not more than 10% of the total sales and use tax revenue of the fiscal year for which the annual financial statement was not filed for municipalities with fewer than 3,500 inhabitants.

SCHOOL DISTRICT AGENDAS (Section 162.052)

The bill allows registered voters to file a petition with the school board to add agenda items to any monthly school board meeting. Requirements for the petition language is outlined in the bill, and no request may be submitted more than once every six months. Any agenda item added in this manner, shall be taken up by the board following the board procedure for such items within three meetings.

COUNTY HIGHWAY COMMISSIONS (Section 230.205)

Currently, a county that has adopted the Alternative County Highway Commission under Sections 230.200 to 230.260, RSMo, may only abolish it by a vote of the people. This bill adds by a vote of the Governing Body as an additional method.

Currently, once abolished, or in counties that did not adopt the Alternative County Highway Commission, the county shall retain the County Highway Commission under Sections 230.010 to 230.110. This bill allows the county to adopt the County Highway Commission or the county road overseers provided under Sections 231.010 to 231.130.

LANDOWNER LIABILITY (ETHAN'S LAW) (Sections 316.250, 537.346, 537.347, and 537.348)

The bill also repeals a certain paragraph of landowner liability law that states that nothing in its provisions creates or limits liability that otherwise would be incurred by owners of land for injuries occurring on or in any land within the corporate boundaries of any city, municipality, town, or village in this state.

SUNSHINE LAW (Section 610.021)

This bill allows a public governmental body to close records related to security and evacuation procedures, including software or surveillance companies that secure the building, for public governmental property.