

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 108
AN ACT

To amend chapter 71, RSMo, by adding thereto one new section relating to broadband infrastructure improvement districts.

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

Section A. Chapter 71, RSMo, is amended by adding thereto
2 one new section, to be known as section 71.1000, to read as
3 follows:

71.1000. 1. Two or more municipalities may elect to
2 form a broadband infrastructure improvement district for the
3 delivery of broadband internet service to the residents of
4 such municipality, which district shall be a body politic
5 and corporate.

6 2. A municipality electing to form a district under
7 this section shall submit to the eligible voters of each
8 such municipality a proposition at a general or special
9 election of such municipality, in substantially the
10 following form:

11 "Shall the municipality of _____ enter into a
12 broadband infrastructure improvement district to
13 be known as _____?"

14 3. Additional municipalities may be admitted to the
15 district in the manner provided in subsection 8 of this
16 section.

17 4. A district created under this section shall have
18 the power to partner with a telecommunications company or
19 broadband service provider in order to construct or improve

20 telecommunications facilities which shall be wholly owned
21 and operated by the telecommunications company or broadband
22 service provider, as the terms "telecommunications company"
23 and "telecommunications facilities" are defined in section
24 386.020 and subject to the provisions of section 392.410,
25 that are in an unserved or underserved area, as defined in
26 section 620.2450, to the residents of the district. Before
27 any facilities are improved or constructed as a result of
28 this section, the area shall be certified as unserved or
29 underserved by the director of broadband development within
30 the department of economic development.

31 5. A district may finance the provision or expansion
32 of broadband internet service through grants, loans, bonds,
33 user fees, or a tax as set forth in subsection 6 of this
34 section.

35 6. (1) Any district may impose by resolution a sales
36 tax on all retail sales made in such district which are
37 subject to taxation pursuant to sections 144.010 to
38 144.525. The sales tax imposed pursuant to this subsection
39 shall not exceed one percent, except that such tax shall not
40 become effective unless the governing body of each
41 municipality member of the district submits to the voters of
42 such municipality at an election held on the first Tuesday
43 after the first Monday in November of even-numbered years, a
44 proposal to authorize the district to impose a tax under the
45 provisions of this subsection. The tax authorized by this
46 subsection shall be in addition to any and all taxes imposed
47 by law, and the proceeds of such tax shall be used solely to
48 provide broadband service to residents of the district.
49 Such tax shall be stated separately from all other charges
50 and taxes.

51 (2) The ballot shall be substantially in the following
52 form:

53 "Shall the (insert name of district)
54 impose a district-wide sales tax at the rate of
55 (insert amount) for the purpose of
56 providing broadband service to residents of the
57 district?"

58 YES NO

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

62 If a majority of the votes cast on the question by the
63 qualified voters voting thereon in each municipality are in
64 favor of the question, then the tax shall become effective
65 on the first day of the calendar quarter following the
66 calendar quarter in which the election was held. If a
67 majority of the votes cast on the question by the qualified
68 voters voting thereon in any one municipality are opposed to
69 the question, then the governing body for the district shall
70 have no power to impose the tax authorized by this
71 subsection.

72 (3) The director of the department of revenue shall
73 collect any tax adopted pursuant to this section pursuant to
74 section 32.087.

75 7. (1) The district governing board shall be composed
76 of at least one representative from each member, but in no
77 case shall there be less than four representatives.

78 (2) Annually, on or before the last Monday in April
79 commencing in the year following the effective date of the
80 district's creation, the local governing body of each member
81 shall appoint a representative to the district governing
82 board for three-year terms. The local governing body of a
83 member, by majority vote, may replace its appointed
84 representative at any time.

85 (3) For the purpose of transacting business, the
86 presence of representatives representing more than fifty
87 percent of district members shall constitute a quorum. Any
88 action adopted by a majority of the votes cast at a meeting
89 of the governing board at which a quorum is present shall be
90 the action of the board.

91 (4) Each district member's representative shall be
92 entitled to cast one vote.

93 (5) Unless replaced as provided in subdivision (2) of
94 this subsection, a representative on the governing board
95 shall hold office until his or her successor is duly
96 appointed. Any representative may be reappointed to
97 successive terms without limit.

98 (6) Any vacancy on the board shall be filled within
99 thirty days after such vacancy occurs by appointment of the
100 local governing body which appointed the representative
101 whose position has become vacant. An appointee to a vacancy
102 shall serve until the expiration of the term of the
103 representative whose position to the appointment was made
104 and may thereafter be reappointed.

105 (7) Each district member may reimburse its
106 representative to the governing board for expenses as it
107 determines reasonable.

108 (8) (a) The officers of the district shall be the
109 chair and the vice chair of the board, the clerk of the
110 district, and the treasurer of the district.

111 (b) The chair shall preside at all meetings of the
112 board and shall make and sign all contracts on behalf of the
113 district upon approval by the board. The chair shall
114 perform all duties incident to the position and office.

115 (c) During the absence of or inability of the chair to
116 render or perform his or her duties or exercise his or her
117 powers, the same shall be performed and exercised by the

118 vice chair and when so acting, the vice chair shall have all
119 the powers and be subject to all the responsibilities hereby
120 given to or imposed upon the chair.

121 (d) During the absence or inability of the vice chair
122 to render or perform his or her duties or exercise his or
123 her powers, the board shall elect from among its membership
124 an acting vice chair who shall have the powers and be
125 subject to all the responsibilities hereby given or imposed
126 upon the vice chair.

127 (e) Upon the death, disability, resignation, or
128 removal of the chair or vice chair, the board shall elect a
129 successor to such vacant office until the next annual
130 meeting.

131 (9) The board shall adopt bylaws for the regulation of
132 its affairs and the conduct of its business.

133 8. (1) The board may authorize the inclusion of
134 additional district members in the broadband infrastructure
135 improvement district upon such terms and conditions as in
136 the board's sole discretion shall be deemed to be fair,
137 reasonable, and in the best interests of the district.

138 (2) Prior to applying for admission to a broadband
139 infrastructure improvement district, a municipality electing
140 to join a district shall submit to the eligible voters of
141 the municipality a proposition at a general or special
142 election of such municipality, in substantially the
143 following form:

144 "Shall the municipality of _____ join the
145 broadband infrastructure improvement district
146 known as _____?"

147 The local governing body of any nonmember municipality which
148 desires to be admitted to the district shall make

149 application for admission to the board after an affirmative
150 result from such election.

151 (3) The board shall determine the financial, economic,
152 governance, and operational effects that are likely to occur
153 if such municipality is admitted and thereafter either grant
154 or deny authority for admission of the petitioning
155 municipality. If the board grants such authority, it shall
156 also specify any terms and conditions, including financial
157 obligations, upon which such admission is predicated. Upon
158 resolution of the board, such applicant municipality shall
159 become a district member.

160 9. A district member may withdraw from the district in
161 the same manner as the vote for admission to the district
162 set forth in subsection 8 of this section.

163 10. Dissolution of a broadband infrastructure
164 improvement district created pursuant to this section shall
165 follow the procedures established in sections 67.950 and
166 67.955.