

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.

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*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.