

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 108

101ST GENERAL ASSEMBLY

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ADRIANE D. CROUSE, Secretary

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## 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 an annual 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) impose  
54 a district-wide sales tax at the rate of \_\_\_\_\_  
55 (insert amount) for the purpose of providing  
56 broadband service to residents of the district?

57  YES  NO

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

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

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

74 7. (1) The district governing board shall be composed  
75 of at least one representative from each member, but in no  
76 case shall there be less than four representatives.

77 (2) Annually, on or before the last Monday in April  
78 commencing in the year following the effective date of the

79 district's creation, the local governing body of each member  
80 shall appoint a representative to the district governing  
81 board for three-year terms. The local governing body of a  
82 member, by majority vote, may replace its appointed  
83 representative at any time.

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

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

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

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

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

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

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

114           (c) During the absence of or inability of the chair to  
115 render or perform his or her duties or exercise his or her  
116 powers, the same shall be performed and exercised by the  
117 vice chair and when so acting, the vice chair shall have all  
118 the powers and be subject to all the responsibilities hereby  
119 given to or imposed upon the chair.

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

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

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

132           8. The board may authorize the inclusion of additional  
133 district members in the broadband infrastructure improvement  
134 district upon such terms and conditions as in the board's  
135 sole discretion shall deem to be fair, reasonable, and in  
136 the best interests of the district. The local governing  
137 body of any nonmember municipality which desires to be  
138 admitted to the district shall make application for  
139 admission to the board. The board shall determine the  
140 financial, economic, governance, and operational effects  
141 that are likely to occur if such municipality is admitted

142 and thereafter either grant or deny authority for admission  
143 of the petitioning municipality. If the board grants such  
144 authority, it shall also specify any terms and conditions,  
145 including financial obligations, upon which such admission  
146 is predicated. Upon resolution of the board, such applicant  
147 municipality shall become a district member.

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

151 10. Dissolution of a broadband infrastructure  
152 improvement district created pursuant to this section shall  
153 follow the procedures established in sections 67.950 and  
154 67.955.

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