

# SENATE BILL NO. 570

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

2688S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

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

*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. For purposes of this section, the  
2 following terms shall mean:

3 (1) "Broadband", shall have the same definition that  
4 the Federal Communications Commission utilizes or twenty-  
5 five megabits per-second download speed and three megabits  
6 per-second upload speed, whichever is faster;

7 (2) "Partnering entity" or "partnering entities", any  
8 municipality, municipal utility, electric cooperative, or  
9 public utility providing services within the state of  
10 Missouri.

11 2. Any other provision of law to the contrary  
12 notwithstanding, the partnering entities shall have the  
13 authority to provide and perform the services described in  
14 this section.

15 3. Two or more partnering entities may elect to form a  
16 broadband infrastructure improvement district or partnership  
17 as described in this section, for the delivery of broadband

18 internet service to the residents of such municipalities or  
19 service area.

20 4. A district created under this section shall have  
21 the power to contract with a broadband internet service  
22 provider to provide broadband internet service to the  
23 residents of the district.

24 5. If the partnering entities are all municipalities  
25 the following procedures shall be followed:

26 (1) Each municipality electing to form a district  
27 under this section shall submit to the eligible voters of  
28 each such municipality a proposition at an annual or special  
29 election of such municipality, in substantially the  
30 following form:

31 "Shall the municipality of ..... enter into a  
32 broadband infrastructure improvement district to  
33 be known as .....?";

34 (2) Any district formed by this section shall be a  
35 body politic and corporate;

36 (3) Additional municipalities may be admitted to the  
37 district in the manner provided in subdivision (8) of this  
38 subsection;

39 (4) A district may finance the provision or expansion  
40 of broadband internet service through grants, loans, bonds,  
41 user fees, or a tax as set forth in subdivision (5) of this  
42 subsection;

43 (5) (a) Any district formed pursuant to this  
44 subsection may impose by resolution a sales tax on all  
45 retail sales made in such district which are subject to  
46 taxation pursuant to sections 144.010 to 144.525. The sales  
47 tax imposed pursuant to this subsection shall not exceed one  
48 percent, except that such tax shall not become effective

49 unless the governing body of each municipality member of the  
 50 district submits to the voters of such municipality at an  
 51 election held on the first Tuesday after the first Monday in  
 52 November of even-numbered years, a proposal to authorize the  
 53 district to impose a tax under the provisions of this  
 54 subsection. The tax authorized by this subsection shall be  
 55 in addition to any and all taxes imposed by law, and the  
 56 proceeds of such tax shall be used solely to provide  
 57 broadband service to residents of the district. Such tax  
 58 shall be stated separately from all other charges and taxes.

59 (b) The ballot shall be substantially in the following  
 60 form:

61 Shall the ..... (insert name of district)  
 62 impose a district-wide sales tax at the rate of  
 63 ..... (insert amount) for the purpose of  
 64 providing broadband service to residents of the  
 65 district?

66  YES  NO

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

70 If a majority of the votes cast on the question by the  
 71 qualified voters voting thereon in each municipality are in  
 72 favor of the question, then the tax shall become effective  
 73 on the first day of the calendar quarter following the  
 74 calendar quarter in which the election was held. If a  
 75 majority of the votes cast on the question by the qualified  
 76 voters voting thereon in any one municipality are opposed to  
 77 the question, then the governing body for the district shall

78 have no power to impose the tax authorized by this  
79 subsection.

80 (c) The director of the department of revenue shall  
81 collect any tax adopted pursuant to this section pursuant to  
82 section 32.087;

83 (6) (a) The district governing board shall be  
84 composed of at least one representative from each member,  
85 but in no case shall there be less than four representatives.

86 (b) Annually, on or before the last Monday in April  
87 commencing in the year following the effective date of the  
88 district's creation, the local governing body of each member  
89 shall appoint a representative to the district governing  
90 board for one-year terms. The local governing body of a  
91 member, by majority vote, may replace its appointed  
92 representative at any time.

93 (c) For the purpose of transacting business, the  
94 presence of representatives representing more than fifty  
95 percent of district members shall constitute a quorum. Any  
96 action adopted by a majority of the votes cast at a meeting  
97 of the governing board at which a quorum is present shall be  
98 the action of the board.

99 (d) Each district member's representative shall be  
100 entitled to cast one vote.

101 (e) Unless replaced as provided in paragraph (b) of  
102 this subdivision, a representative on the governing board  
103 shall hold office until his or her successor is duly  
104 appointed. Any representative may be reappointed to  
105 successive terms without limit.

106 (f) Any vacancy on the board shall be filled within  
107 thirty days after such vacancy occurs by appointment of the  
108 local governing body which appointed the representative  
109 whose position has become vacant. An appointee to a vacancy

110 shall serve until the expiration of the term of the  
111 representative whose position to the appointment was made  
112 and may thereafter be reappointed.

113 (g) Each district member may reimburse its  
114 representative to the governing board for expenses as it  
115 determines reasonable.

116 (h) a. The officers of the district shall be the  
117 chair and the vice chair of the board, the clerk of the  
118 district, and the treasurer of the district.

119 b. The chair shall preside at all meetings of the  
120 board and shall make and sign all contracts on behalf of the  
121 district upon approval by the board. The chair shall  
122 perform all duties incident to the position and office.

123 c. During the absence of or inability of the chair to  
124 render or perform his or her duties or exercise his or her  
125 powers, the same shall be performed and exercised by the  
126 vice chair and when so acting, the vice chair shall have all  
127 the powers and be subject to all the responsibilities hereby  
128 given to or imposed upon the chair.

129 d. During the absence or inability of the vice chair  
130 to render or perform his or her duties or exercise his or  
131 her powers, the board shall elect from among its membership  
132 an acting vice chair who shall have the powers and be  
133 subject to all the responsibilities hereby given or imposed  
134 upon the vice chair.

135 e. Upon the death, disability, resignation, or removal  
136 of the chair or vice chair, the board shall elect a  
137 successor to such vacant office until the next annual  
138 meeting;

139 (7) The board shall adopt bylaws for the regulation of  
140 its affairs and the conduct of its business;

141           (8) The board may authorize the inclusion of  
142 additional district members in the broadband infrastructure  
143 improvement district upon such terms and conditions as in  
144 the board's sole discretion shall deem to be fair,  
145 reasonable, and in the best interests of the district. The  
146 local governing body of any nonmember municipality which  
147 desires to be admitted to the district shall make  
148 application for admission to the board. The board shall  
149 determine the financial, economic, governance, and  
150 operational effects that are likely to occur if such  
151 municipality is admitted and thereafter either grant or deny  
152 authority for admission of the petitioning municipality. If  
153 the board grants such authority, it shall also specify any  
154 terms and conditions, including financial obligations, upon  
155 which such admission is predicated. Upon resolution of the  
156 board, such applicant municipality shall become a district  
157 member;

158           (9) A district member may withdraw from the district  
159 in the same manner as the vote for admission to the district  
160 set forth in subdivision (8) of this subsection;

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

165           6. If any of the partnering entities include a  
166 municipal utility, electric cooperative, or a public  
167 utility, the following procedures shall be followed:

168           (1) The partnering entities may enter into an  
169 agreement to create a broadband infrastructure partnership,  
170 which is authorized to construct and maintain broadband  
171 infrastructure;

172           (2) Partnering entities may provide broadband internet  
173 services within the corporate limits or service territory of  
174 any partnering entities. They may also provide broadband  
175 internet services within a two-mile radius of the corporate  
176 limits or service territory of a partnering entity if  
177 seventy percent of the area does not have broadband services  
178 otherwise available;

179           (3) A partnership formed under this subsection may  
180 finance the provision or expansion of broadband internet  
181 service through grants, loans, bonds, user fees, or any  
182 other financing methods which does not negatively impact the  
183 cost of service provided to the partnering entities,  
184 residents, customers, or ratepayers.

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