

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 568
97TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, May 15, 2013, with recommendation that the Senate Committee Substitute do pass.

1608S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 67.457, 67.463, and 67.469, RSMo, and to enact in lieu thereof three new sections relating to neighborhood improvement districts special assessments.

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

Section A. Sections 67.457, 67.463, and 67.469, RSMo, are repealed and
2 three new sections enacted in lieu thereof, to be known as sections 67.457, 67.463,
3 and 67.469, to read as follows:

67.457. 1. To establish a neighborhood improvement district, the
2 governing body of any city or county shall comply with either of the procedures
3 described in subsection 2 or 3 of this section.

4 2. The governing body of any city or county proposing to create a
5 neighborhood improvement district may by resolution submit the question of
6 creating such district to all qualified voters residing within such district at a
7 general or special election called for that purpose. Such resolution shall set forth
8 the project name for the proposed improvement, the general nature of the
9 proposed improvement, the estimated cost of such improvement, the boundaries
10 of the proposed neighborhood improvement district to be assessed, and the
11 proposed method or methods of assessment of real property within the district,
12 including any provision for the annual assessment of maintenance costs of the
13 improvement in each year during the term of the bonds issued for the original
14 improvement and after such bonds are paid in full. The governing body of the
15 city or county may create a neighborhood improvement district when the question
16 of creating such district has been approved by the vote of the percentage of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 electors within such district voting thereon that is equal to the percentage of
18 voter approval required for the issuance of general obligation bonds of such city
19 or county under article VI, section 26 of the constitution of this state. The notice
20 of election containing the question of creating a neighborhood improvement
21 district shall contain the project name for the proposed improvement, the general
22 nature of the proposed improvement, the estimated cost of such improvement, the
23 boundaries of the proposed neighborhood improvement district to be assessed, the
24 proposed method or methods of assessment of real property within the district,
25 including any provision for the annual assessment of maintenance costs of the
26 improvement in each year after the bonds issued for the original improvement are
27 paid in full, and a statement that the final cost of such improvement assessed
28 against real property within the district and the amount of general obligation
29 bonds issued therefor shall not exceed the estimated cost of such improvement,
30 as stated in such notice, by more than twenty-five percent, and that the annual
31 assessment for maintenance costs of the improvements shall not exceed the
32 estimated annual maintenance cost, as stated in such notice, by more than
33 twenty-five percent. The ballot upon which the question of creating a
34 neighborhood improvement district is submitted to the qualified voters residing
35 within the proposed district shall contain a question in substantially the following
36 form:

37 Shall (name of city or county) be authorized to
38 create a neighborhood improvement district proposed for the
39 (project name for the proposed improvement) and incur indebtedness and issue
40 general obligation bonds to pay for all or part of the cost of public improvements
41 within such district, the cost of all indebtedness so incurred to be assessed by the
42 governing body of the (city or county) on the real property
43 benefitted by such improvements for a period of years, and, if included in
44 the resolution, an assessment in each year thereafter with the proceeds thereof
45 used solely for maintenance of the improvement?

46 3. As an alternative to the procedure described in subsection 2 of this
47 section, the governing body of a city or county may create a neighborhood
48 improvement district when a proper petition has been signed by the owners of
49 record of at least two-thirds by area of all real property located within such
50 proposed district. Each owner of record of real property located in the proposed
51 district is allowed one signature. Any person, corporation, or limited liability
52 partnership owning more than one parcel of land located in such proposed district

53 shall be allowed only one signature on such petition. The petition, in order to
54 become effective, shall be filed with the city clerk or county clerk. A proper
55 petition for the creation of a neighborhood improvement district shall set forth
56 the project name for the proposed improvement, the general nature of the
57 proposed improvement, the estimated cost of such improvement, the boundaries
58 of the proposed neighborhood improvement district to be assessed, the proposed
59 method or methods of assessment of real property within the district, including
60 any provision for the annual assessment of maintenance costs of the improvement
61 in each year during the term of the bonds issued for the original improvement
62 and after such bonds are paid in full, a notice that the names of the signers may
63 not be withdrawn later than seven days after the petition is filed with the city
64 clerk or county clerk, and a notice that the final cost of such improvement
65 assessed against real property within the district and the amount of general
66 obligation bonds issued therefor shall not exceed the estimated cost of such
67 improvement, as stated in such petition, by more than twenty-five percent, and
68 that the annual assessment for maintenance costs of the improvements shall not
69 exceed the estimated annual maintenance cost, as stated in such petition, by
70 more than twenty-five percent.

71 4. Upon receiving the requisite voter approval at an election or upon the
72 filing of a proper petition with the city clerk or county clerk, the governing body
73 may by resolution or ordinance determine the advisability of the improvement
74 and may order that the district be established and that preliminary plans and
75 specifications for the improvement be made. Such resolution or ordinance shall
76 state and make findings as to the project name for the proposed improvement, the
77 nature of the improvement, the estimated cost of such improvement, the
78 boundaries of the neighborhood improvement district to be assessed, the proposed
79 method or methods of assessment of real property within the district, including
80 any provision for the annual assessment of maintenance costs of the improvement
81 in each year after the bonds issued for the original improvement are paid in full,
82 and shall also state that the final cost of such improvement assessed against the
83 real property within the neighborhood improvement district and the amount of
84 general obligation bonds issued therefor shall not, without a new election or
85 petition, exceed the estimated cost of such improvement by more than twenty-five
86 percent.

87 5. The boundaries of the proposed district shall be described by metes and
88 bounds, streets or other sufficiently specific description. The area of the

89 neighborhood improvement district finally determined by the governing body of
90 the city or county to be assessed may be less than, but shall not exceed, the total
91 area comprising such district.

92 6. In any neighborhood improvement district organized prior to August
93 28, 1994, an assessment may be levied and collected after the original period
94 approved for assessment of property within the district has expired, with the
95 proceeds thereof used solely for maintenance of the improvement, if the residents
96 of the neighborhood improvement district either vote to assess real property
97 within the district for the maintenance costs in the manner prescribed in
98 subsection 2 of this section or if the owners of two-thirds of the area of all real
99 property located within the district sign a petition for such purpose in the same
100 manner as prescribed in subsection 3 of this section.

101 **7. Prior to any assessment hereafter being levied against any**
102 **real property within any neighborhood improvement district, and prior**
103 **to any lien enforceable under either chapter 140 or 141 being imposed**
104 **after August 28, 2013 against any real property within a neighborhood**
105 **improvement district, the clerk of the governing body establishing the**
106 **neighborhood improvement district shall cause to be recorded with the**
107 **recorder of deeds for the county in which any portion of the**
108 **neighborhood improvement district is located, a document conforming**
109 **to the provisions of sections 59.310 and 59.313, and which shall contain**
110 **at least the following information:**

111 **(1) Each owner of record of real property located within the**
112 **neighborhood improvement district at the time of recording, who shall**
113 **be identified in the document as grantors and indexed by the recorder**
114 **pursuant to section 59.440;**

115 **(2) The governing body establishing the neighborhood**
116 **improvement district and the title of any official or agency responsible**
117 **for collecting or enforcing any assessments, who shall be identified in**
118 **the document as grantees and so indexed by the recorder pursuant to**
119 **section 59.440;**

120 **(3) The legal description of the property within the**
121 **neighborhood improvement district which may either be the metes and**
122 **bounds description authorized in subsection 5 of this section or the**
123 **legal description of each lot or parcel within the neighborhood**
124 **improvement district; and**

125 **(4) The identifying number of the resolution or ordinance**

126 **creating the neighborhood improvement district, or a copy of such**
127 **resolution or ordinance.**

67.463. 1. At the hearing to consider the proposed improvements and
2 assessments, the governing body shall hear and pass upon all objections to the
3 proposed improvements and proposed assessments, if any, and may amend the
4 proposed improvements, and the plans and specifications therefor, or assessments
5 as to any property, and thereupon by ordinance or resolution the governing body
6 of the city or county shall order that the improvement be made and direct that
7 financing for the cost thereof be obtained as provided in sections 67.453 to 67.475.

8 2. After construction of the improvement has been completed in
9 accordance with the plans and specifications therefor, the governing body shall
10 compute the final costs of the improvement and apportion the costs among the
11 property benefitted by such improvement in such equitable manner as the
12 governing body shall determine, charging each parcel of property with its
13 proportionate share of the costs, and by resolution or ordinance, assess the final
14 cost of the improvement or the amount of general obligation bonds issued or to
15 be issued therefor as special assessments against the property described in the
16 assessment roll.

17 3. After the passage or adoption of the ordinance or resolution assessing
18 the special assessments, the city clerk or county clerk shall mail a notice to each
19 property owner within the district which sets forth a description of each parcel
20 of real property to be assessed which is owned by such owner, the special
21 assessment assigned to such property, and a statement that the property owner
22 may pay such assessment in full, together with interest accrued thereon from the
23 effective date of such ordinance or resolution, on or before a specified date
24 determined by the effective date of the ordinance or resolution, or may pay such
25 assessment in annual installments as provided in subsection 4 of this section.

26 4. The special assessments shall be assessed upon the property included
27 therein concurrent with general property taxes, and shall be payable in
28 substantially equal annual installments for a duration stated in the ballot
29 measure prescribed in subsection 2 of section 67.457 or in the petition prescribed
30 in subsection 3 of section 67.457, and, if authorized, an assessment in each year
31 thereafter levied and collected in the same manner with the proceeds thereof used
32 solely for maintenance of the improvement, taking into account such assessments
33 and interest thereon, as the governing body determines. The first installment
34 shall be payable after the first collection of general property taxes following the

35 adoption of the assessment ordinance or resolution unless such ordinance or
36 resolution was adopted and certified too late to permit its collection at such time.
37 All assessments shall bear interest at such rate as the governing body
38 determines, not to exceed the rate permitted for bonds by section
39 108.170. Interest on the assessment between the effective date of the ordinance
40 or resolution assessing the assessment and the date the first installment is
41 payable shall be added to the first installment. The interest for one year on all
42 unpaid installments shall be added to each subsequent installment until paid. In
43 the case of a special assessment by a city, all of the installments, together with
44 the interest accrued or to accrue thereon, may be certified by the city clerk to the
45 county clerk in one instrument at the same time. Such certification shall be good
46 for all of the installments, and the interest thereon payable as special
47 assessments.

48 5. Special assessments shall be collected and paid over to the city
49 treasurer or county treasurer in the same manner as taxes of the city or county
50 are collected and paid. In any **county with a charter form of government**
51 **and with more than six hundred thousand but fewer than seven**
52 **hundred thousand inhabitants and any** county of the first classification with
53 more than one hundred thirty-five thousand four hundred but fewer than one
54 hundred thirty-five thousand five hundred inhabitants, the county collector may
55 collect a fee as prescribed by section 52.260 for collection of assessments under
56 this section.

67.469. A special assessment authorized under the provisions of sections
2 67.453 to 67.475 shall be a lien, from the date of the assessment, on the property
3 against which it is assessed on behalf of the city or county assessing the same to
4 the same extent as a tax upon real property. The lien may be foreclosed in the
5 same manner as a tax upon real property by land tax sale pursuant to chapter
6 140 or [by judicial foreclosure proceeding], **if applicable to that county,**
7 **chapter 141, or** at the option of the governing body, **by judicial foreclosure**
8 **proceeding.** Upon the foreclosure of any such lien, whether by land tax sale or
9 by judicial foreclosure proceeding, the entire remaining assessment may become
10 due and payable and may be recoverable in such foreclosure proceeding at the
11 option of the governing body.

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