

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 one new section, to be known as section 71.1000, to read as follows:

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

2. A municipality electing to form a district under this section shall submit to the eligible voters of each such municipality a proposition at an annual or special election of such municipality, in substantially the following form:

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

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

4. A district created under this section shall have the power to partner with a telecommunications company or broadband service provider in order to construct or improve telecommunications facilities which shall be wholly owned and operated by the telecommunications company or broadband

service provider, as the terms "telecommunications company"
and "telecommunications facilities" are defined in section
386.020 and subject to the provisions of section 392.410,
that are in an unserved or underserved area, as defined in
section 620.2450, to the residents of the district. Before
any facilities are improved or constructed as a result of
this section, the area shall be certified as unserved or
underserved by the director of broadband development within
the department of economic development.

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

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

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

Shall the _____ (insert name of district) impose
a district-wide sales tax at the rate of _____

(insert amount) for the purpose of providing
broadband service to residents of the district?

YES

NO

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

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

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

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

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

(3) For the purpose of transacting business, the
presence of representatives representing more than fifty

percent of district members shall constitute a quorum. Any action adopted by a majority of the votes cast at a meeting of the governing board at which a quorum is present shall be the action of the board.

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

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

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

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

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

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

(c) During the absence of or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair and when so acting, the vice chair shall have all

the powers and be subject to all the responsibilities hereby given to or imposed upon the chair.

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

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

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

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

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

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