FIRST REGULAR SESSION

SENATE BILL NO. 570

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

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

71.1000. 1. For purposes of this section, the following terms shall mean:

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

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

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

3. Two or more partnering entities may elect to form a broadband infrastructure improvement district or partnership as described in this section, for the delivery of broadband services.
internet service to the residents of such municipalities or
service area.

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

5. If the partnering entities are all municipalities
the following procedures shall be followed:
   (1) Each 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 .................?";

   (2) Any district formed by this section shall be a
   body politic and corporate;
   (3) Additional municipalities may be admitted to the
district in the manner provided in subdivision (8) of this
subsection;
   (4) 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 subdivision (5) of this
subsection;
   (5) (a) Any district formed pursuant to this
subsection 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.

(b) 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.

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

(6) (a) 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.

(b) 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 one-year terms. The local governing body of a member, by majority vote, may replace its appointed representative at any time.

(c) 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.

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

(e) Unless replaced as provided in paragraph (b) of this subdivision, 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.

(f) 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.

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

(h) 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;

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

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

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

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

The partnering entities may enter into an agreement to create a broadband infrastructure partnership, which is authorized to construct and maintain broadband infrastructure;
(2) Partnering entities may provide broadband internet services within the corporate limits or service territory of any partnering entities. They may also provide broadband internet services within a two-mile radius of the corporate limits or service territory of a partnering entity if seventy percent of the area does not have broadband services otherwise available;

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