

2016 LEGISLATIVE WRAP UP

HOW MISSOURI MUNICIPALITIES FARED

The Second Session of the 98th Missouri General Assembly adjourned on May 13, 2016. During the preceding four and a half months, MML staff has maintained a continual presence at the Missouri State Capitol, tracking more than 200 bills. League staff actively advocated in support or opposition to many of these legislative measures. League staff worked with legislators, state agency staff, Governor's staff and industry representatives to seek the best legislative outcome for Missouri's municipalities.

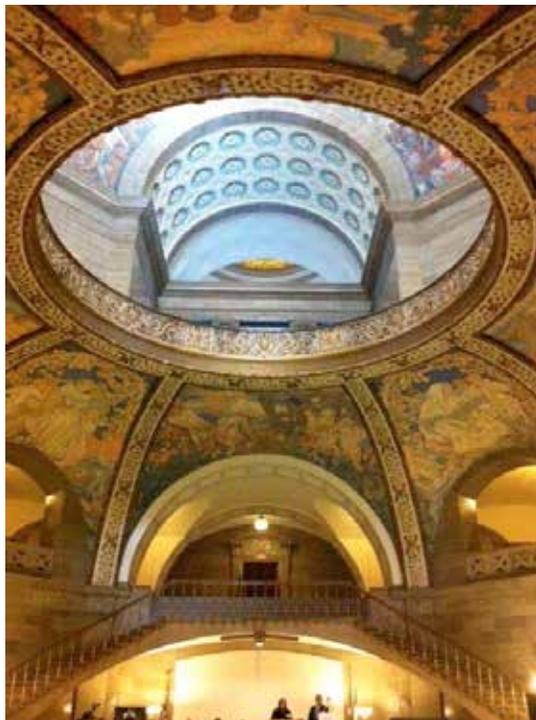
MML's top legislative proposal for the 2016 legislative session was to extend the reauthorization vote for the local sales tax on the titling of out-of-state sales of motor vehicles. On May 4, the Governor signed into law HB 2140 that extends the re-authorization vote for the titling of out-of-state sales of motor vehicles for two more years (November 2018).

The League was successful in fending off:

HB 1811 - DOGS

Prohibited municipalities from enacting breed-specific dog ordinances. (MML Opposed)

HB 1913 - PROPERTY TAX - Repealed the statute allowing municipalities to adjust their property tax for inflation. (MML Opposed)



HB 1970 - DELINQUENT UTILITY BILLS - Prohibited a municipality or utility company from holding an owner of a premises liable for the occupant's delinquent utility payments. (MML Opposed)

HB 1993 - SUNSHINE LAW - Modified provisions relating to the Missouri Sunshine Law. (MML Opposed)

HB 2242 - CLASS ACTION LAWSUITS

Prohibited a municipality from

participating in any class action lawsuit to collect unpaid taxes. (Primarily supported by MO Cable Association and Charter) (MML Opposed)

SB 946 - BROADBAND - Prohibited municipalities from offering broadband services. (MML Opposed)

Two weeks before the end of the legislative session the telecommunication company Verizon persuaded the House Select Committee on General Laws' Chairman, Rep. Caleb Jones, to place an amendment on SB 676. The amendment, the "Small Wireless Facilities Deployment Act," would have further deteriorated a municipality's ability to manage the public rights of way under their control. This harmful provision was removed from the bill with the help of the bill sponsor, Sen.

David Sater. However, we fully expect that the "Small Wireless Facilities Deployment Act" will return next session with the strong support of the entire telecommunications industry.

BILLS OF MUNICIPAL INTEREST THAT PASSED

SB 572 - (MML Opposed)

- **MINIMUM STANDARDS FOR MUNICIPALITIES IN ST. LOUIS COUNTY - 67.287**

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certain municipal and financial services and reports. This act modifies the list of services that municipalities must offer. The annual audit by a certified public accountant of the municipality's finances that includes a report on internal controls to prevent misuse of funds no longer has to be prepared by a qualified financial consultant.

Furthermore, a municipality only has to have an accredited police department by 2021 if the municipality has a police department or contracts with another police department for public safety services. Currently, each municipality also must have its construction code reviewed by 2018. However, under the act, a municipality is not required to adopt an updated construction code.

- **NUISANCE ABATEMENT ORDINANCES - 67.398, 67.451**

Currently, certain cities and counties may enact an ordinance to provide for abatement of nuisances, and the ordinance may provide that if the nuisance is not removed or abated then the building commissioner or designated officer may remove or abate the nuisance. This act provides that the ordinance must provide to the owner of the property a written notice which describes the condition of the lot, what action will remedy the nuisance, and provides not less than ten days to abate or commence removal of each condition

identified in the notice. If the owner does not occupy the property, then the notice shall be given to any occupant. Any city may recover the costs for enforcing the nuisance abatement ordinance by including the fines in the annual real estate tax bill for the property. Any costs and fines not paid by Dec. 31 of that year will be considered delinquent.

- **LIABILITY FOR DEBTS OF A MUNICIPALITY - 71.980**

This act also specifies that the state is not liable for the debts of a municipality that is financially insolvent. (As a side note, our state constitution already contains this provision.)

- **MUNICIPAL JUDGES - 479.020**

The act prohibits a municipal judge from serving on more than five municipal courts.

- **DISINCORPORATION PROCEDURES - 77.700, 77.703, 77.706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148**

The act establishes disincorporation procedures for third class cities, charter cities, and home rule cities. Upon receiving a petition signed by 25 percent of the voters of the city, the county governing body shall order an election upon the question of disincorporation of the city. The county governing body

shall disincorporate the city upon an affirmative vote of a majority of those voting. Whenever the county governing body dissolves a city, the county governing body shall appoint a person to act as trustee for the corporation who shall take an oath and give bond with sufficient security. The trustee shall have certain powers as designated in the act, such as the power to prosecute and defend the corporation in a law suit, collect money due, and sell property.

The act decreased the number of signatures required on a petition to disincorporate a fourth class city or a town or village from 50 percent to 25 percent of voters, and further decreases the voter approval percentage for disincorporation from 60 percent of those voting to a majority.

- **MUNICIPAL COURTS - 479.350, 479.353, 479.359, 479.360, 479.368**

The act changes the definition of court costs to include any certified costs, but excludes fines added to the annual real estate tax bill or a special tax bill of a property owner for the cost of nuisance abatement and removal. The definition of minor traffic violation is modified to include traffic ordinance violations for which no points are assessed to a driver's driving record and amended charges for any minor traffic violation and adds a definition for municipal ordinance violations.

The maximum allowable fine for minor traffic violations has been lowered from \$300 to \$225. For municipal ordinance violations committed within a 12-month period beginning with the first violation: the maximum allowable fine is \$200, \$250 for the second offense, \$350 for the third offense, and \$450 for the fourth and subsequent offenses. No court costs shall be charged to defendants found to be indigent. Municipal courts are also required to not charge defendants for costs associated with community service alternatives.

Municipal ordinance violations and amended charges for municipal ordinance violations are added to the calculation limiting the percentage of annual general operating revenue that can come from fines and court costs for minor violations and to provisions regarding fines, imprisonment, and court costs in municipal court cases. Municipal ordinance violations are also added to municipal disincorporation provisions if a municipality fails to

remit excess annual general operating revenue to the Department of Revenue for the county school fund and the disincorporation threshold has been lowered from 60 percent to a majority of participating voters.

SB 588 - CRIMINAL RECORDS

- Modifies the rules of expungement of criminal records if such offense, violation, or infraction was prosecuted under the jurisdiction of a Missouri municipal, associate circuit, or circuit court.

SB 613 - WORKERS' COMPENSATION

- Enacts new provisions of law relating to the workers' compensation insurance premiums of volunteer fire departments.

SB 732 -

• MOBILE VIDEO RECORDINGS (SECTION 610.100)

Mobile video recordings from a law enforcement vehicle or a device carried by a law enforcement officer that includes a camera and recording capability are considered a closed record until the investigation becomes inactive.

• CRIME SCENE PHOTOS (SECTION 610.205)

The act further inserts new provisions to the Sunshine Law relating to crime scene photographs and video recordings.

• LIBERTY AND NORTH KANSAS CITY SALES TAX FOR PUBLIC SAFETY (Section 94.902)

This act authorizes Liberty and North Kansas City to impose a sales tax of up to .5 percent solely for the purpose of improving the public safety of the city subject to voter approval. Revenue from this tax may be used for expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers.

SB 765 -

• TRAFFIC CITATION QUOTAS - 304.125 & 575.320

This act prohibits a political subdivision or law enforcement agency from having a policy requiring or encouraging an employee to issue a certain number of traffic citations on a quota basis.

• MOBILE VIDEO RECORDINGS - 610.100

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SB 794 - SOLAR TAX EXEMPTIONS

Creates a sales tax exemption for parts of certain types of medical equipment.

SB 823 - (MML Opposed)

• INTERNET ACCESS TAX EXEMPTION (Section 144.030)

Creates a state and local sales tax exemption for internet access or the use of internet access. Federal law also prohibits taxing access to the internet.

• BED AND BREAKFASTS (Section 137.016)

This act provides that property operated as a bed and breakfast with six or fewer rooms is classified as residential property for tax purposes so long as the owner also resides there.

SB 919 - (MML Opposed)

LOCAL LIQUOR LICENSES - 311.220

Under this act, each liquor licensee must prominently display a copy of any city or county liquor license on the licensed premises. This act specifies that the Division of Alcohol and Tobacco Control may not disapprove an application for a liquor license

for failing to possess a local liquor license. In addition, this act requires the licensee to file a copy of its local liquor license with the Division of Alcohol and Tobacco Control within ten days from the issuance of the local license.

SB 947 - TRANSPORTATION NETWORK COMPANIES

Creates insurance coverage requirements between a transportation network company (TNC) and a TNC driver who uses a personal vehicle to transport passengers for the TNC beginning April 1, 2017. A TNC driver or the TNC company, on the driver's behalf, is required to maintain primary automobile insurance coverage as specified in the act. The policy of insurance must recognize that the driver uses the vehicle to transport riders for compensation while logged onto the TNC's digital network. The TNC is required to notify a TNC driver of the insurance coverage provided by the TNC and to also notify a driver that his or her own personal automobile insurance policy may not provide coverage while the driver uses a vehicle in connection with the service and that it may also violate the terms of his or her contract with a lienholder. Automobile insurers in Missouri may exclude or limit any and all insurance coverage provided to owners or operators of personal vehicles while logged into a TNC's digital network



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for the purpose of transporting persons or property for compensation. In a claims coverage investigation, TNCs and any insurer potentially providing coverage under the act shall cooperate to facilitate the exchange of relevant information with each other and any insurer of the TNC driver, if applicable.

SB 1002 - CIDs - Allows the State Auditor to audit community improvement districts (MML Supported)

SB 1025 - SALES TAX - Under current law, the definition of «sale at retail» for purposes of sales tax law includes charges and fees to or in places of recreation. This act provides that the definition does not include amounts paid for instructional classes.

HB 1418 - TDDs - This bill requires the Missouri State Auditor's office to report any transportation development district (TDD) failing to submit its annual financial statement to the Department of Revenue (DOR). The DOR will notify the non-compliant district by certified mail it has 30 days from the postmarked date to submit the required statement to the State Auditor's office. If the statement is not received the district will be fined \$500 per day beginning on the 31st day from the postmarked date. Any transportation development district with gross revenues of less than \$5,000 annually will not be subject to

the fine. Audits performed by the State Auditor's office shall be paid by the TDD and the cost shall not exceed 3 percent of gross revenues of the district. Any costs exceeding that shall be absorbed by the State Auditor's office. This bill also clarifies that gross revenue of a TDD is measured by the fiscal year, not annually.

HB 1434 - TIFs - Specifies that a recommendation of approval on a proposed redevelopment plan, project, designation, or amendment by a TIF commission in St. Charles, Jefferson, and St. Louis counties must only be deemed to occur if a majority of the commissioners voting vote for approval. A tied vote must be considered a recommendation in opposition. It requires the governing body of a municipality to submit a report of each redevelopment plan and redevelopment project in existence on December 31 of the preceding year to the Department of Revenue by November 15 each year and requires the Commissioner of Administration to publish the data in the reports on the Missouri Accountability Portal. Any municipality that does not comply with such reporting requirements within 60 days from the certified mail notification from the department will be prohibited from adopting any new tax increment financing plan for five years.

HB 1443 - LAGERS - Allows political subdivisions to assign operation of a retirement plan to the Missouri Local Government Employees' Retirement System. (MML Supported)

HB 1561 - ST. LOUIS COUNTY SALES TAX - Requires that municipalities in the St. Louis County sales tax pool receive at least 50 percent of the revenue generated inside a given municipality.

HB 1631 - ELECTION - Submits to the voters of the state a Missouri Constitutional amendment requiring voters to present photographic identification before being able to vote.

HB 1713 - DESIGN BUILD - Authorizes any political subdivision to use a design build contractor for waste water and water treatment projects. Allows a municipality to conduct an analysis, including feasibility and cost, of available options to meet the state discharge requirements. If upgrading or expanding the existing system is feasible, cost effective and will meet the discharge requirements, the department must allow the entity to implement the option. (MML Supported)

HB 1717 - Similar to HB 1713.

HB 1870 - BUSINESS LICENSE TAXES (Section 94.360)

This bill provides that after May 1, 2016, a municipality shall not impose a business license tax on any business under more than one of the following Sections; 94.110, 94.270, or 94.360 pertaining to various different businesses. However, that restriction shall not apply to any tax levied by a fourth class city for a project from which bonds are outstanding as of May 1, 2005, or business license taxes imposed by the City of St. Louis or Kansas City.

HB 2376 - DESIGN BUILD - Authorized use of design build contracts for municipal projects. (MML Supported) □

Find a list of bills of municipal interest that did not pass on the advocacy page of the League website at www.mocities.com. Although these legislative measure are "dead" for this year, we expect that many of these issues will reappear in the 2017 legislative session.