

**New Legislation of Municipal Interest** – The General Assembly passed several bills that impact Missouri municipalities in the recently ended legislative session, including the following:



**Municipal Taxation or Licensing of UBER/ LYFT (HB 130):** Creates a state-wide license for Transportation Network Companies (“TNCs”)—such as UBER or LYFT—for an annual fee of \$5,000. This bill also prohibits municipalities from imposing a tax on or requiring a license from TNCs, TNC drivers, or vehicles used by a TNC driver where the tax or license relates to providing prearranged rides.

**Traffic Citations and Municipal Judges (SB 128):** Requires that citations or summonses for minor traffic violations include the date and time the defendant must appear in court. Failure to provide this information when the citation is issued will void the citation. Also, regarding the limitation that a

municipal judge cannot serve in more than 5 municipalities at one time, “[a] court that serves more than one municipality shall be treated as a single municipality.”

**Population Law “Fix” (HB 451):** Provides that once a city has come under operation of a law based on population, a **change** in population shall not remove the political subdivision from the operation of that law, “regardless of whether the [political subdivision] comes under the operation of the law after the law was passed.” This bill was passed in the wake of the 2016 [Missouri American Water Company case](#) in the Missouri Court of Appeals, Eastern District, which held that St. Louis County no longer met the requirements of statutes affecting counties with “more than one million inhabitants.”

**Minimum Wage (HB 1193 & 1194):** Prohibits political subdivisions from requiring a minimum wage that exceeds the requirements of state law.

**Requirements for Holding Elective Office and Bond Procedure Revisions (SB 111):** This act allows persons who have pled or been found guilty of a federal misdemeanor to run for elective public office. Persons who have pled guilty or been found guilty of a federal *felony* are still barred from holding office.

SB 111 also amends procedures for bond issuance including as follows:

- Political subdivisions with an unenhanced bond rating of AA+ or higher must issue debts through a competitive process unless they employ a municipal advisor. If a municipal advisor is employed, a negotiated or competitive process may be used. This requirement does not apply when:
  - o the bonds are sold to a government entity;
  - o the principal amount of the bonds does not exceed \$12,500,000; or
  - o to bonds issued for refinance.
- A municipal advisor cannot profit financially or otherwise, directly or indirectly, from the underwriter of a negotiated bond issuance.

**Public Safety Sales Tax and Annual Report Compliance (SB 112):** This bill, among other things:

- Allows a sheriff, marshal, clerk or collector, or the deputy of any such officer to run for treasurer of any county.
- Allows additional fourth class cities with certain populations to impose a 0.5% sales tax for public safety purposes with voter approval.
- **Provides that all political subdivisions failing to submit an annual financial statement to the DOR shall be fined \$500 per day beginning on the 31st day after they receive notice of non-compliance.** This provision previously only imposed such fine on TDDs.

**Labor Agreements (SB 182):** Prohibits political subdivisions from requiring, or prohibiting, bidders from entering into agreements with labor organizations when entering into contracts for the construction, repair, remodeling, or demolition of a facility. Discrimination against, or giving preferential treatment to, such bidders is also prohibited. An entity that violates these provisions is **not eligible for state funding**, including tax credits, for two years.

**Lease of Real Property to Public Entities (HB 292):** Allows banks or trust companies to lease property to a public entity if it has the resources to satisfy all rental payments as they become due, and the public entity will become the owner of the real property when the lease expires.

**Cities Obtain Summary Judgment Ruling on Telecom License Taxes** – On June 8, 2017, two Missouri cities represented by CVR, Columbia and Joplin, obtained a summary judgment ruling holding that CenturyLink is unlawfully and unjustifiably underpaying business license gross receipts taxes. *See City of Columbia, et al. v. Spectra Communications Group, LLC, et al.*, 14SL-CC04026 (St. Louis Cnty. Cir. Ct. June 8, 2017). The Court determined that the Cities’ municipal business license taxes apply to **all** revenue the telecommunications company receives that is attributable to its business in the Cities, including carrier “access,” a large source of revenue for CenturyLink statewide. The Court also ordered CenturyLink to pay the Cities’ costs and attorneys’ fees for the suit.

**Missouri Supreme Court Weighs in on SB5** – In [City of Normandy, et. al. v. Greitens, et. al.](#), (Mo. May 16, 2017) the Missouri Supreme Court struck down the provision of SB5 that imposed a 12.5% cap on the percentage of general operating revenues that may come from minor traffic violations in St. Louis County municipalities. The Court decided that the 12.5% cap, which applied to cities within charter counties of “more than nine hundred fifty thousand inhabitants,” was an unconstitutional special law targeting only St. Louis County. Although population windows have historically been successfully used to avoid the “special law” prohibition, here, because the law currently applied only to St. Louis County and would also only apply to St. Louis County “for the foreseeable future,” the Court held that it violated the special law prohibition. This decision is a substantial departure from previous court decisions on special laws, and it will greatly limit the use of special laws based on population. Accordingly, cities in St. Louis County are now capped at 20%, along with the remainder of the state. The plaintiff cities also challenged two other provisions of SB5: the requirement to submit an addendum with a city’s annual financial report and the requirement to obtain professional accreditation for police departments. Those two challenges were rejected by the Court, and the provisions remain in effect.

**Presentations by CVR Attorneys** – The following recent and upcoming educational presentations and resources from CVR attorneys are available for your review:

- UPCOMING: [Telecommunications Law Update](#) (Missouri Municipal Attorneys Association Summer Seminar) – [Erin Seele](#)
- UPCOMING: [Regulatory Takings and Exactions](#) (Municipal Officials Training Academy) – [Steven Lucas](#)
- UPCOMING: [Telecommunications and ROW](#) (American Public Works Association Fall Conference) – [Dan Vogel](#) and [Joe Bond](#)

**Feedback** – Your comments are greatly appreciated. If you have suggestions for improving these Municipal Issue Reports, please let us know at the contacts below.

If you need further assistance on any of these matters, please consult your City Attorney or Legal Department for particularized guidance or contact us at:

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To access previous Municipal Issue Reports on our website: [CLICK HERE](#).

**Upcoming Dates & Deadlines for Missouri Municipalities\***

**Between 1 and 4 weeks before July City Council meeting (Third Class Cities)** – Publish newspaper notice that bids for City depository will be received

**July Meeting of City Council (Third Class Cities)** – Select depository for one year term.

**Mid-Late August** – Conduct public hearing on property tax rate with 7-day newspaper notice (for Cities not in charter counties).

**August 28** – New state statutes go into effect (unless passed as emergency legislation or later date is provided in statute).

**September 1** – Set property tax levy (for Cities not in charter counties).

\*This list is not exhaustive. For the complete **Calendar of Procedural Deadlines for Missouri Municipalities**, click below:

[Jan. 1–Dec. 31 Fiscal Year](#)

[July 1–June 30 Fiscal Year](#)

Also see CVR’s [Annual Requirements for Missouri Municipal Special Purpose Entities](#)

**Municipal Links**

- [Missouri Municipal League](#)
- [Municipal League of Metro St. Louis](#)
- [Mid-America Regional Council \(KC Area\)](#)
- [East-West Gateway Council of Governments](#)

**For more, visit CVR’s [Resources Page](#)**