

July 2012

Callaway County, MO Neighborhood Improvement District Guidelines

STEPS TO FORMING A NEIGHBORHOOD IMPROVEMENT DISTRICT AND FINANCING PUBLIC IMPROVEMENTS*

- I. Property Owners Prepare and Submit Petition **
 - A. Information Required for the Petition
 1. Project name for proposed improvements
 2. General nature of proposed improvements
 3. Estimated cost (Contact Callaway County Road & Bridge office)
 4. Statement that final cost (and, consequently, amount of general obligation Bonds issued therefore) will not exceed the estimated cost by more than 25%
 5. Boundaries of proposed district (Include a map of the district)
 6. Proposed method of assessment
 7. Statement that names of signers may not be withdrawn more than 7 days after the petition is filed
 8. Along with the petition the requesters shall provide documentation that all owners of record within such proposed district have been notified of the intention to form a NID.
 9. Petitioners shall also submit deeds and areas of all parcels within the proposed district.
 - B. Petition is signed by the owners of at least 4/5ths (80%) by area of the property within the District
 - C. Petition and map of the proposed neighborhood improvement district is filed with the clerk of the commission.
 - D. Percentage of area within the proposed district owned by signers is certified by the clerk of the county commission.

(Petitions which do not meet the above requirements will be returned to the petitioners)

- II. County Commission Determines advisability of the Improvements
Improvements determined advisable and District ordered to be established in resolution stating:
 1. Project name
 2. Nature of Improvements

3. Estimate cost, and the final cost will not exceed estimate by more than 25%
4. Boundaries of district
5. Method of assessment

Commission directs County Clerk to do the following:

1. Prepare assessment roll based cost estimate
2. Schedule a date for a hearing on proposed assessment
3. Publish notice of such hearing
4. Mail notice of such hearing to property owners

*This outline assumes project will be initiated by a petition submitted by property owners. Depending on the circumstances, one or more of the procedures listed may (a) combined into a single step or (b) when appropriate, be omitted.

** Step No.1 may be replaced by a special election authorizing the District. As election may be held only on one of five dates during a year (in the first weeks of March, April, June, August and November) and the governing body of the city or county must formally order the election to be held and file notice of the proposed election with the county clerk at least 8 weeks ahead of election day. The information listed in items 1 through 6 of I.A., above, will be needed for a governing body to order an election to be held.

III. Notice Given and Hearing Conducted on Proposed Improvement and Assessments

- A. Notice of hearing published by clerk in newspaper not more than 20 days nor less than 10 days before hearing date, stating:
 1. Project Name
 2. Date, time and place of hearing
 3. General nature of improvement
 4. Estimated cost
 5. Boundaries of the district
 6. Written or oral objections will be considered at the hearing
- B. Notice of hearing mailed by county clerk to each owner of record of property in the district stating;
 1. Time, date location and other materials relevant to the hearing
 2. Statement of estimated cost proposed to be assessed against the addressed owner's property
- C. Hearing conducted by commission; all comments and objections to the revised estimated cost and the assessments considered; necessary changes made
- D. Resolution passed by governing body ordering improvements to be made; proposed assessment roll to be filed with the Recorder of Deeds; and consideration or issuance of temporary notes to provide financing for costs of construction
- E. Commission directs the Road & Bridge department to develop final plans & specifications for the project and acquire the necessary right of way for the improvements.

IV. Project Completion and Assessment Against Property Owners

- A. Evidence of project completion and statement of final costs submitted to the county commission
- B. Final assessment roll prepared
- C. Assessment resolution passed by commission stating:
 - 1. Final project cost
 - 2. Final assessment roll approved
 - 3. County Clerk ordered to give written notice to each property owner of amount of assessment and right to pay in cash in 30 days or to pay over a period of years with interest added
 - 4. For unpaid assessments, County Clerk directed to make a proportional annual assessment against each property liable therefor, with interest on total unpaid assessment added
- D. After 30-day period allowing for payments in cash has passed, the total of amounts so paid is certified to the commission by the county treasurer

V. Permanent Financing

- A. Bonds are sold and issued in amount of unpaid assessments
- B. Proceeds of fully paid assessments and bond proceeds are used to pay all remaining project expenses.
- C. Annual assessments are made to each property owner, each in the amount of total assessment
- D. Any deficit resulting from uncollected assessments within the district may be made up through advalorem taxes levied throughout the county

Callaway County, Missouri
Neighborhood Improvement Districts (NID)
Administrative Policies

Definitions

Applicant- A Property owner who completes and returns to Callaway County Road and Bridge an Application For Petition To Form Neighborhood Improvement District.

County Clerk- Clerk of Callaway County

Commission or County Commission- The Callaway County Commission

Engineer- The Engineer of Callaway County Callaway County Road and Bridge

NID- Neighborhood Improvement District as defined and under the authority of Sections 67.453 to 67.475, inclusive, RSMo. (The "Neighborhood Improvement District Act")

NID Coordinator- An employee of the County of Callaway

Order to Proceed- Order issued by County Commission directing Callaway County Road and Bridge to proceed with finalization of plans and specifications.

Order to Proceed with Construction- Order issued by Callaway County Commission to the successful bidding Contractor directing Contractor to proceed with construction on a date certain.

Project Cost- Total cost of the NID Project/Improvement including actual construction costs, direct cost to the County, fees authorized by statute, indirect cost as determined annually by the County Clerk, and Bond Issuance Costs, reduced by any contractual reimbursements received from participating entities not included within the legal boundaries of the Neighborhood Improvement District.

Callaway County Road and Bridge- Callaway County Callaway County Road and Bridge Department

Treasurer- Treasurer of Callaway County

Neighborhood Coordinator-an individual that initiates proceedings and coordinates activities within the district.

The terms "Project" and "Improvement" are used interchangeably

POLICY

The following NID policy is from the manual "Callaway County Policies and Specifications for Road Construction and Acceptance" adopted March 2004.

2.6.5 **Roadway Improvements & Neighborhood Improvement Districts**

2.6.5.1 **Limit of Neighborhood Improvement Districts (NID)** - It is the intention of the Callaway County Commission to construct no more than three (3) NID projects per year or no more than (3) miles. It is also the intent of the Commission to limit the outstanding NID debt to no more than two million dollars at any given time. Should special circumstances occur, this may be adjusted. The deadline for submitting complete NID documentation for each calendar year is April 1st.

2.6.5.2 **Public Roads** - Residents that would like a County Road upgraded to a paved surface must complete an "Application For Petition To Form Neighborhood Improvement District." "The petition must be signed by the owners of record of at least four-fifths (80%) by area of all real property located within such proposed district." Along with the petition the requesters shall provide documentation that **all** owners of record within such proposed district have been notified of the intention to form a Neighborhood Improvement District. All project costs and incidental costs, including but not limited to attorney fees, engineering fees, and County fees, **shall be included** in the cost of the NID.

The total cost for the road preparation (material, manpower, and equipment) **shall be included** in the cost of the NID. Pavement design and the amount of Right-of-Ways required for paving projects are contained in Table A and the standard drawing section. **All required Right-of-Way** must be donated by the requesting parties. Detailed information concerning NID requirements along with County and Attorney fees can be obtained from the County Clerk's Office.

2.6.5.3 **Private Roads** - All requirements contained in this specification apply if there is any future attempt to petition the road into the County Road System. The petitioners shall hire an engineer to develop a design and specifications for submittal to the County Highway Administrator to review. The construction shall be inspected by an engineer hired by the petitioners.

2.6.5.4 **Length of Financing Neighborhood Improvement District (NID)** - The maximum length of financing for a Neighborhood Improvement District (NID) project sponsored by Callaway County shall be ten (10) years.

2.6.5.5 **Upgrades Without Forming a NID** - Residents that would like a County Road upgraded from gravel to asphalt must receive approval from the Callaway County Commission. Residents will be required to pay Callaway County upfront for all improvements necessary to meet current standards. Total cost to the residents will be the cost of the asphalt, the road preparation, and the engineering fees.

Any fences or shrubs must be removed from the Right-of-Way by the residents. Any additional Right-of-Way required to complete the project must be donated to Callaway County. All design requirements contained in these specifications apply. The Callaway County Commission will determine if the project is in the best interest of the County as a whole.

PROCESS

- Callaway County Clerk shall provide Application For Petition To Form Neighborhood Improvement District to an applicant. The applicant must be an owner of real property within the proposed NID, which is the subject of the application.
- The applicant shall return Application to Callaway County Clerk. Applicant shall meet with NID Coordinator, County Engineer, and County Clerk for concept review, and discuss process.
- The NID Coordinator shall provide a copy of the application to the Commission.
- The NID Attorney shall develop and prepare Petition For The Creation Of A Neighborhood Improvement District which shall contain the following:
 - The general nature of the proposed improvement;
 - The estimated cost of such improvement;
 - The boundaries or legal description of the proposed neighborhood improvement district to be assessed;
 - The proposed method or methods of assessment of real property within the district;
 - A notice that the names of the signers may not be withdrawn later than seven days after the petition is filed with County Clerk;
 - A notice that the final cost of such improvement assessed against real property within the district and the amount of general obligation bonds issued therefor shall not exceed the estimated cost of such improvement, as stated in such petition, by more than twenty-five percent (25%).
 - Names and mailing addresses of all property owners within proposed district according to the records of the Callaway County Assessor.
 - Legal descriptions and tax parcel numbers of all real property to be assessed within the proposed district according to the records of the Callaway County Assessor.
- Each Petition shall contain the following affidavit by property owners:

“The undersigned, being the owners of record of more than four-fifths (4/5) by area of all real property within the hereinafter described neighborhood improvement district, do hereby petition and request the Callaway County Commission create a neighborhood improvement district as described herein and incur indebtedness so incurred to be assessed against the real property within said district benefited by such improvements, under the authority of Sections 67.453 to 67.475, inclusive, RSMo. (the Neighborhood Improvement District Act)”
- Each Petition shall contain the following affidavit by the circulator(s):

_____, a property owner of record of the proposed neighborhood improvement district herein, being first duly sworn, hereby say that the above and foregoing signed this petition and each of them signed his/her name thereto personally in my presence; I believe that each has accurately stated his/her name and property location, and that each signer is a property owner of record of the proposed neighborhood improvement district herein described.

Signature of Affiant: _____

Printed Name & Address of Affiant: _____
Subscribed to and sworn to me this _____ day of _____, 19____.

Signed: _____
(Notary Seal)

My Commission expires: _____

The Neighborhood Coordinator may schedule neighborhood meeting and mail notices of such meeting to the owners of all real property within the proposed NID; the Neighborhood Coordinator shall deliver the petition to property owners at the neighborhood meeting. Petition circulator(s) are recruited at meeting.

- Circulator(s) shall return completed petition(s) to Callaway County Clerk.
- If petition(s) are not returned to Callaway County Clerk by Circulator(s) within 1 year of delivery, project may be terminated or suspended.
- Petition(s) shall be verified by the Clerk using the ownership records of the Callaway County Assessor as of the date the petitions are submitted. Petitions shall be deemed valid if they contain the signatures of the owners of at least 4/5 by area of the property within the Neighborhood Improvement District as described in the petition. Clerk shall certify to the Commission as to the validity of petition(s).
- County Clerk shall schedule Commission meeting to determine advisability of forming the Neighborhood Improvement District. (Petition circulator(s) will be notified)
- Project may not be approved if the owner of any real property within the proposed district is delinquent in county real estate taxes. NID Coordinator shall determine whether any such delinquency exists and report to the Commission.
- County Commission *may* issue order establishing NID.
- The Attorney for the NID shall prepare and the Clerk shall mail Notice Of Hearing And Statement Of Cost Proposed To Be Assessed to the owner(s) of each individual lot/tract and the Clerk shall publish Notice of Hearing in a general circulation newspaper between 20 and 10 days before Hearing.
- The Commission shall hold a **public hearing** and *may* issue an "Order to Proceed" with final plans and specifications.

THIS HEARING IS THE LAST OPPORTUNITY FOR PUBLIC COMMENTS.

If County Commission issues an "Order to Proceed":

- The NID Coordinator shall provide the Clerk with copies of the "Order to Proceed". The NID Coordinator shall report to the Clerk all costs incurred .
- Callaway County Road and Bridge shall develop final plans and specifications and acquire easements and/or rights-of-way required for project. After final plans and specifications are developed and easements and/or rights-of-way are acquired, Callaway County Road and Bridge shall develop a Construction Bid Request.
- Callaway County Commission shall advertise request for bids.
- Callaway County Road and Bridge shall schedule and host a Pre-Bid Conference for potential Bidders.
- The Clerk shall schedule and the Commission shall conduct Bid Opening.
- Callaway County Road and Bridge shall schedule a Commission Meeting and recommend award of Contract. The Commission *may* award Contract to Contractor submitting Lowest and Best Bid.
- If Construction contract is awarded, the NID Coordinator shall deliver to successful Bidder and to the Clerk fully executed Notice of Award, Construction Contracts and Notice to Proceed with Construction.
- The NID Coordinator shall report to the clerk the date of the Notice to Proceed with Construction.

- Callaway County Road and Bridge shall oversee construction on site.
- After construction of the improvement has been completed in accordance with the plans and specifications thereof, the NID Coordinator shall notify the Clerk that the project is complete and shall provide to the Clerk documentation for reimbursable costs to various County departments and the amounts for recording liens and notices against properties in the NID. The Clerk shall then tabulate final costs and certify same to the NID Coordinator. The NID Coordinator shall then present a report to the Commission detailing the assessment roll and final cost of the project as certified by the Clerk. The Commission shall then compute the final costs of the improvement and apportion the cost among the property benefited by such improvement in such equitable manner as the Commission shall determine, charging each parcel of property with its proportionate share of the costs, and by resolution, assess the final cost of the improvement or the amount of general obligation bonds issued or to be issued therefor as special assessments against the property described in the assessment roll, and the Commission shall order the Clerk to send Notices of such assessment to the property owners within that NID. Owners shall then have 30 days to pay their respective NID bills. **If bills are not paid within 30 days they shall become a lien on the property and are set up for 10-year financing.** The County may issue 10-year bonds to finance remaining balance. Bond issuance cost is added to project cost. The next NID tax bill after such bonds are issued will reflect the additional Bond issuance costs.
- Upon approval by the Engineer, the NID Coordinator shall recommend that the Commission accept the roads/streets for County Maintenance and accept any easements and /or acquisitions of land, which were acquired for the NID Project/Improvement.
- If accepted by the Commission, the NID Coordinator shall provide copies of Acceptance Certificate and detailed location description to Callaway County Commission. Callaway County Road and Bridge shall then assume all future maintenance of the roads, which were the subject of the NID. (If road is not already a county road.)
- **Once the County issues 10 year bonds, the County is obligated to pay interest on those bonds for 10 years, therefore, property owners who do not pay their NID bills before such bonds are sold are obligated for 10 years worth of interest. Property owners may pay off in less than 10 years to have lien released; however, any such payoff will reflect 10 years worth of interest.**

DESIGN AND CONSTRUCTION STANDARDS

- **Neighborhood Improvement District** projects and improvements shall be designed and constructed in accordance with the manual entitled "Callaway County Policies and Specifications for Road Construction and Acceptance" adopted March 2004.

[All petitions should be reviewed by Bond Counsel before they are circulated.]

PETITION FOR THE CREATION OF A
NEIGHBORHOOD IMPROVEMENT DISTRICT

To the County Commission of Callaway County, Missouri.

The undersigned, being the owners of record of more than four-fifths (4/5) by the area of all real property within the hereinafter described neighborhood improvement district, do hereby petition and request that the County create a neighborhood improvement district as described herein and incur indebtedness and issue general obligation bonds of the County to pay for all or part of the cost of public improvements within such district, the cost of all indebtedness so incurred to be assessed against the real property within said district benefited by such improvements under the authority of Sections 67.453 to 67.475, inclusive, RSMo (the "Neighborhood Improvement District Act").

A. The project name for the proposed improvements is:

[Project Name]

B. The general nature of the improvements proposed to be made is as follows:

C. The estimated cost of the proposed improvements is \$ _____. The final cost of such improvements assessed against the property within the district (and the amount of general obligation bonds of the County issued therefor) shall not exceed such estimated cost by more than 25%.

[The estimated cost should include all costs, including financing cost, engineering fees, legal fees and administrative fees, not only construction costs. It does not include interest on temporary notes, if any.]

D. The special assessments will be assessed in substantially equal annual installment over a period of 10 years.

E. A boundary description and map of the proposed neighborhood improvement district are attached hereto as Exhibit A. The district is located entirely within Callaway County, Missouri, and is not located in whole or in part within the limits of an incorporated city.

[The boundaries may be described by metes and bounds, streets or other sufficiently specific description. Be sure to describe the area to be assessed and not just the improvement. A map is sufficient for the petition if it clearly shows the boundaries, but a written description will be necessary for the notice of public hearing, and a legal description will be necessary to file the assessments in the County's real property records.]

F. The proposed method of assessment is as follows [Insert method of assessment, including any provision for the annual assessment of maintenance costs for the improvement in each year after the bonds issued for the original improvement are paid in full]. _____

[The cost of the improvements must be apportioned against the property in the district in accordance with the benefits accruing thereto by reason of the improvement and may be assessed equally per front foot or per square foot or any other reasonable assessment plan.]

G. THE NAMES OF THE SIGNERS OF THIS PETITION MAY NOT BE WITHDRAWN FROM THIS PETITION LATER THAN SEVEN (7) DAYS AFTER THE FILING HEREOF WITH THE COUNTY CLERK.

<u>Printed Name of Owner of Record</u>	<u>Signature of Owner of Record*</u>	<u>Property Owned Within Proposed Improvement District</u>
_____	_____	Address: _____
_____	_____	_____ Lot # _____
_____	_____	Subdivision: _____
_____	_____	Address: _____
_____	_____	_____ Lot # _____
_____	_____	Subdivision: _____
_____	_____	Address: _____
_____	_____	_____ Lot # _____
_____	_____	Subdivision: _____
_____	_____	Address: _____
_____	_____	_____ Lot # _____
_____	_____	Subdivision: _____
_____	_____	Address: _____
_____	_____	_____ Lot # _____
_____	_____	Subdivision: _____

- Persons signing on behalf of a corporation or other legal entity or as representative of the owner must attach documentation of the signer's authority.

AFFIDAVIT OF CIRCULATOR

I, _____, a property owner of record of the proposed neighborhood improvement district described herein, being first truly sworn hereby say that the above and foregoing signed this petition and each of them signed his/her name thereto personally in my presence; I believe that each has accurately stated his/her name and property location, and that each signer is a property owner of record of the proposed neighborhood improvement district herein described.

Signature of Affiant: _____
Printed Name &
Address of Affiant: _____

Subscribed to and sworn to me this _____ day of _____, _____

Signed: _____

(NOTARY SEAL)

My commission expires: _____

Notary Certificate:

COUNTY CLERK'S RECEIPT OF PETITION:

This Petition was filed in my office on _____.

(SEAL)

County Clerk

EXHIBIT A

Boundary Description and Map of
Neighborhood Improvement District for
[Project Name]

CERTIFICATE OF AREA OWNED BY PETITIONERS

I, County Clerk of Callaway County, Missouri, hereby certify as follows:

- (1.) I have examined the Petition requesting the creation of a neighborhood improvement district for the proposed [Project Name] filed in my office on _____.
- (2.) At least seven days have passed since said Petition was filed and none of the signers have withdrawn their names from the Petition.
- (3.) The total area of all real property within the proposed neighborhood improvement district is _____.
- (4.) The total area owned by the signers of the Petition is _____.

DATED: _____, _____

(SEAL)

CALLAWAY COUNTY CLERK

Callaway County, Missouri

Missouri Revised Statutes

Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.453

August 28, 2011

Neighborhood improvement districts--definitions.

67.453. Sections 67.453 to 67.475 are known and may be cited as the "Neighborhood Improvement District Act", and the following words and terms, as used in sections 67.453 to 67.475 mean:

- (1) "Acquire", the acquisition of property or interests in property by purchase, gift, condemnation or other lawful means and may include the acquisition of existing property and improvements already owned by the city or county;
- (2) "Consultant", engineers, architects, planners, attorneys, financial advisors, accountants, investment bankers and other persons deemed competent to advise and assist the governing body of the city or county in planning and making improvements;
- (3) "Cost", all costs incurred in connection with an improvement, including, but not limited to, costs incurred for the preparation of preliminary reports, the preparation of plans and specifications, the preparation and publication of notices of hearings, resolutions, ordinances and other proceedings, fees and expenses of consultants, interest accrued on borrowed money during the period of construction, underwriting costs and other costs incurred in connection with the issuance of bonds or notes, establishment of reasonably required reserve funds for bonds or notes, the cost of land, materials, labor and other lawful expenses incurred in planning, acquiring and doing any improvement, reasonable construction contingencies, and work done or services performed by the city or county in the administration and supervision of the improvement;
- (4) "Improve", to construct, reconstruct, maintain, restore, replace, renew, repair, install, equip, extend, or to otherwise perform any work which will provide a new public facility or enhance, extend or restore the value or utility of an existing public facility;
- (5) "Improvement", any one or more public facilities or improvements which confer a benefit on property within a definable area and may include or consist of a reimprovement of a prior improvement. Improvements include, but are not limited to, the following activities:
 - (a) To acquire property or interests in property when necessary or desirable for any purpose authorized by sections 67.453 to 67.475;
 - (b) To open, widen, extend and otherwise to improve streets, paving and other surfacing, gutters, curbs, sidewalks, crosswalks, driveway entrances and structures, drainage works incidental thereto, and service connections from sewer, water, gas and other utility mains, conduits or pipes;
 - (c) To improve main and lateral storm water drains and sanitary sewer systems, and appurtenances thereto;
 - (d) To improve street lights and street lighting systems;
 - (e) To improve waterworks systems;

- (f) To improve parks, playgrounds and recreational facilities;
 - (g) To improve any street or other facility by landscaping, planting of trees, shrubs, and other plants;
 - (h) To improve dikes, levees and other flood control works, gates, lift stations, bridges and streets appurtenant thereto;
 - (i) To improve vehicle and pedestrian bridges, overpasses and tunnels;
 - (j) To improve retaining walls and area walls on public ways or land abutting thereon;
 - (k) To improve property for off-street parking facilities including construction and equipment of buildings thereon;
 - (l) To acquire or improve any other public facilities or improvements deemed necessary by the governing body of the city or county; and
 - (m) To improve public safety;
- (6) "Neighborhood improvement district", an area of a city or county with defined limits and boundaries which is created by vote or by petition under sections 67.453 to 67.475 and which is benefited by an improvement and subject to special assessments against the real property therein for the cost of the improvement.

(L. 1991 S.B. 8 1/2 1, A.L. 1993 H.B. 759 & 772)

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Missouri Revised Statutes

Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.455

August 28, 2011

Neighborhood improvements--bonds, special assessments.

67.455. As a complete alternative to all other methods provided by law or charter, the governing body of any city or county may make, or cause to be made, improvements which confer a benefit upon property within a neighborhood improvement district pursuant to sections 67.453 to 67.475. The governing body of such city or county may incur indebtedness and issue temporary notes and general obligation bonds of such city or county pursuant to sections 67.453 to 67.475 to pay for all or part of the cost of such improvements. An improvement may be combined with one or more other improvements for the purpose of issuing a single series of general obligation bonds to pay all or part of the cost of such improvements, but separate funds or accounts shall be established within the records of the city or county for each improvement as provided in section 67.473. Such city or county shall assess special assessments on the property deemed by the governing body to be benefited by each such improvement pursuant to section 67.457. The city or county shall use the moneys collected from such special assessments to reimburse the city or county for all amounts paid or to be paid by it as principal of and interest on its general obligation bonds issued for such improvements.

(L. 1991 S.B. 8 i¼ 2, A.L. 1995 H.B. 87)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.456

August 28, 2011

Neighborhood improvement districts--duration of bond maturity--maintenance provisions required, when--assessed costs on divided property recalculated, how, restrictions.

- 67.456. 1. The average maturity of bonds or notes issued under the neighborhood improvement district act after August 28, 2004, shall not exceed one hundred twenty percent of the average economic life of the improvements for which the bonds or notes are issued.
2. Any improvement for which a petition is filed or an election is held under section 67.457 after August 28, 2004, including improvements to or located on property owned by a city or county, shall include provisions for maintenance of the project during the term of the bonds or notes.
3. In the event that, after August 28, 2004, any parcel of property within the neighborhood improvement district is divided into more than one parcel of property after the final costs of the improvement are assessed, all unpaid final costs of the improvement assessed to the original parcel that was divided shall be recalculated and reassessed proportionally to each of the parcels resulting from the division of the original parcel, based on the assessed valuation of each resulting parcel. No parcel of property which has had the assessment against it paid in full by the property owner shall be reassessed under this section. No parcel of property shall have the initial assessment against it changed, except for any changes for special, supplemental, or additional assessments authorized under the state neighborhood improvement district act.

(L. 2004 H.B. 1321)

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Missouri Revised Statutes

Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.457

August 28, 2011

Establishment of neighborhood improvement districts--procedure--notice of elections, contents--alternatives, petition, contents--maintenance costs, assessment.

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

2. The governing body of any city or county proposing to create a neighborhood improvement district may by resolution submit the question of creating such district to all qualified voters residing within such district at a general or special election called for that purpose. Such resolution shall set forth the project name for the proposed improvement, the general nature of the proposed improvement, the estimated cost of such improvement, the boundaries of the proposed neighborhood improvement district to be assessed, and the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year during the term of the bonds issued for the original improvement and after such bonds are paid in full. The governing body of the city or county may create a neighborhood improvement district when the question of creating such district has been approved by the vote of the percentage of electors within such district voting thereon that is equal to the percentage of voter approval required for the issuance of general obligation bonds of such city or county under article VI, section 26 of the constitution of this state. The notice of election containing the question of creating a neighborhood improvement district shall contain the project name for the proposed improvement, the general nature of the proposed improvement, the estimated cost of such improvement, the boundaries of the proposed neighborhood improvement district to be assessed, the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year after the bonds issued for the original improvement are paid in full, and a statement that the final cost of such improvement assessed against real property within the district and the amount of general obligation bonds issued therefor shall not exceed the estimated cost of such improvement, as stated in such notice, by more than twenty-five percent, and that the annual assessment for maintenance costs of the improvements shall not exceed the estimated annual maintenance cost, as stated in such notice, by more than twenty-five percent. The ballot upon which the question of creating a neighborhood improvement district is submitted to the qualified voters residing within the proposed district shall contain a question in substantially the following form:

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

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

*Effective March 2004, Callaway County Commission adopted a policy requiring 4/5ths (80%) by area.

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

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

5. The boundaries of the proposed district shall be described by metes and bounds, streets or other sufficiently specific description. The area of the neighborhood improvement district finally determined by the governing body of the city or county to be assessed may be less than, but shall not exceed, the total area comprising such district.

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

(L. 1991 S.B. 8 1/2 3, A.L. 1994 H.B. 1200 & 1192, A.L. 1995 H.B. 87, A.L. 2004 H.B. 1321, A.L. 2007 S.B. 22)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.458

August 28, 2011

Adjoining counties, contract to improve roads, district may be formed--unanimous decision required--fund, expenditures, appraisal.

67.458. The governing bodies of two or more adjoining counties may, pursuant to section 70.220, contract to improve a road or street located within such adjoining counties. In addition, the governing bodies of two or more adjoining counties may create a neighborhood improvement district for the purpose of improving a road or street located within such adjoining counties. Except as otherwise provided in this section, all provisions of sections 67.453 to 67.475 shall apply to such a district and all powers included within sections 67.453 to 67.475 shall be available to the governing bodies of the district; however, any decision required of the governing bodies under sections 67.453 to 67.475 must be made in a unanimous manner by all governing bodies of the counties in the district. In forming such a district, the governing body of each county shall separately comply with the provisions of either subsection 2 or 3 of section 67.457, and all proposed portions of the district must be joined as part of the district or the district shall not be formed. The separate fund or account required by section 67.473 shall be a fund or account maintained in the county treasury of the county containing the largest percentage of the assessed valuation of the district; however, the governing body of each county within the district shall be required to approve expenditures from the fund in accordance with section 67.473.

(L. 1995 H.B. 87)

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Chapter 67 **Political Subdivisions, Miscellaneous Powers** **Section 67.459**

August 28, 2011

Apportionment of improvement costs--governing body to establish classifications.

67.459. The portion of the cost of any improvement to be assessed against the real property in a neighborhood improvement district shall be apportioned against such property in accordance with the benefits accruing thereto by reasons of such improvement. The cost may be assessed equally per front foot or per square foot against property within the district or by any other reasonable assessment plan determined by the governing body of the city or county which results in imposing substantially equal burdens or share of the cost upon property similarly benefitted and which may include, in the case of condominium or equitable owner association ownership, a determination that all units within the condominium or equitable owner association are equally benefitted. The governing body of the city or county may from time to time determine and establish by ordinance or resolution reasonable general classifications and formulae for the methods of assessing the benefits.

(L. 1991 S.B. 8 1/4, A.L. 1995 H.B. 87, A.L. 2005 H.B. 58 merged with H.B. 186)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.461

August 28, 2011

Assessments, plans, specifications--public filing--duties of clerk--notice.

- 67.461. 1. After the governing body has made the findings specified in section 67.457 and plans and specifications for the proposed improvements have been prepared, the governing body shall by ordinance or resolution order assessments to be made against each parcel of real property deemed to be benefited by an improvement based on the revised estimated cost of the improvement or, if available, the final cost thereof, and shall order a proposed assessment roll to be prepared.
2. The plans and specifications for the improvement and the proposed assessment roll shall be filed with the city clerk or county clerk, as applicable, and shall be open for public inspection. Such clerk shall thereupon, at the direction of the governing body, publish notice that the governing body will conduct a hearing to consider the proposed improvement and proposed assessments. Such notice shall be published in a newspaper of general circulation at least once not more than twenty days and not less than ten days before the hearing and shall state the project name for the improvement, the date, time and place of such hearing, the general nature of the improvement, the revised estimated cost or, if available, the final cost of the improvement, the boundaries of the neighborhood improvement district to be assessed, and that written or oral objections will be considered at the hearing. At the same time, the clerk shall mail to the owners of record of the real property made liable to pay the assessments, at their last known post office address, a notice of the hearing and a statement of the cost proposed to be assessed against the real property so owned and assessed. The failure of any owner to receive such notice shall not invalidate the proceedings.

(L. 1991 S.B. 8 1/2, A.L. 1995 H.B. 87)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.463

August 28, 2011

Public hearing, procedure--apportionment of costs--special assessments, notice--payment and collection of assessments.

- 67.463. 1. At the hearing to consider the proposed improvements and assessments, the governing body shall hear and pass upon all objections to the proposed improvements and proposed assessments, if any, and may amend the proposed improvements, and the plans and specifications therefor, or assessments as to any property, and thereupon by ordinance or resolution the governing body of the city or county shall order that the improvement be made and direct that financing for the cost thereof be obtained as provided in sections 67.453 to 67.475.
2. After construction of the improvement has been completed in accordance with the plans and specifications therefor, the governing body shall compute the final costs of the improvement and apportion the costs among the property benefitted by such improvement in such equitable manner as the governing body shall determine, charging each parcel of property with its proportionate share of the costs, and by resolution or ordinance, assess the final cost of the improvement or the amount of general obligation bonds issued or to be issued therefor as special assessments against the property described in the assessment roll.
3. After the passage or adoption of the ordinance or resolution assessing the special assessments, the city clerk or county clerk shall mail a notice to each property owner within the district which sets forth a description of each parcel of real property to be assessed which is owned by such owner, the special assessment assigned to such property, and a statement that the property owner may pay such assessment in full, together with interest accrued thereon from the effective date of such ordinance or resolution, on or before a specified date determined by the effective date of the ordinance or resolution, or may pay such assessment in annual installments as provided in subsection 4 of this section.
4. The special assessments shall be assessed upon the property included therein concurrent with general property taxes, and shall be payable in substantially equal annual installments for a duration stated in the ballot measure prescribed in subsection 2 of section 67.457 or in the petition prescribed in subsection 3 of section 67.457, and, if authorized, an assessment in each year thereafter levied and collected in the same manner with the proceeds thereof used solely for maintenance of the improvement, taking into account such assessments and interest thereon, as the governing body determines. The first installment shall be payable after the first collection of general property taxes following the adoption of the assessment ordinance or resolution unless such ordinance or resolution was adopted and certified too late to permit its collection at such time. All assessments shall bear interest at such rate as the governing body determines, not to exceed the rate permitted for bonds by section 108.170. Interest on the assessment between the effective date of the ordinance or resolution assessing the assessment and the date the first installment is payable shall be added to the first installment. The interest for one year on all unpaid installments shall be added to each subsequent installment until paid. In the case of a special assessment by a city, all of the installments, together with the interest accrued or to accrue thereon, may be certified by the city clerk to the county clerk in one instrument at the same time. Such certification shall be good for all of the installments, and the interest thereon payable as special assessments.
5. Special assessments shall be collected and paid over to the city treasurer or county treasurer in the same manner as taxes of the city or county are collected and paid. In any county of the first classification with more than one hundred thirty-five thousand four hundred but fewer than one hundred thirty-five thousand five hundred

inhabitants, the county collector may collect a fee as prescribed by section 52.260 for collection of assessments under this section.

(L. 1991 S.B. 8 1/2 6, A.L. 1994 H.B. 1200 & 1192, A.L. 2007 S.B. 22)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.465

August 28, 2011

Period of limitation, lawsuits.

67.465. No suit to set aside the special assessments made under sections 67.453 to 67.475 or to otherwise question the validity of the proceedings relating thereto shall be brought after the expiration of ninety days from the date of mailing of notice to property owners of the assessments required by section 67.463.

(L. 1991 S.B. 8 1/2 7)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.467

August 28, 2011

Supplemental assessments authorized, when--reassessments.

67.467. 1. To correct omissions, errors or mistakes in the original assessment which relate to the total cost of an improvement, the governing body of the city or county may, without a notice or hearing, make supplemental or additional assessments on property within a neighborhood improvement district, except that such supplemental or additional assessments shall not, without a new election or new petition as provided in section 67.457, exceed twenty-five percent of the estimated cost of the improvement determined pursuant to section 67.457.

2. When an assessment is, for any reason whatever, set aside by a court of competent jurisdiction as to any property, or in the event the governing body finds that the assessment or any part thereof is excessive or determines on advice of counsel in writing that it is or may be invalid for any reason, the governing body may, upon notice and hearing as provided for the original assessment, make a reassessment or a new assessment as to such property.

(L. 1991 S.B. 8 1/2 8)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.469

August 28, 2011

Assessment treated as tax lien, payable upon foreclosure.

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

(L. 1991 S.B. 8 1/2, A.L. 2004 H.B. 1321, A.L. 2005 H.B. 58 merged with S.B. 210)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.471

August 28, 2011

Temporary notes, general obligation bonds.

67.471. After an improvement has been authorized pursuant to section 67.457, the governing body of the city or county may issue temporary notes of the city or county to pay the costs of such improvement in an amount not to exceed the estimated cost of such improvement, and such temporary notes shall be general obligations of the city or county. General obligation bonds of the city or county shall be issued and sold as provided in section 67.455 to refund, retire and pay off such temporary notes and any accrued interest thereon to the date of payment.

(L. 1991 S.B. 8 1/2 10)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.473

August 28, 2011

Funds to be created--use of funds--use of balance upon completion of improvements.

67.473. A separate fund or account shall be created in the city treasury or county treasury for each improvement project and each such fund or account shall be identified by a suitable title. The proceeds from the sale of bonds and temporary notes and any other moneys appropriated thereto by the governing body shall be credited to such funds or accounts. Such funds or accounts shall be used solely to pay the costs incurred in making each respective improvement. Upon completion of an improvement, the balance remaining in the fund or account established for such improvement, if any, shall be credited against the amount of the original assessment of each parcel of property, on a pro rata basis based on the amount of the original assessment, and with respect to property owners that have prepaid their assessments in accordance with section 67.463, the amount of each such credit shall be refunded to the appropriate property owner, and with respect to all other property owners, the amount of each such credit shall be transferred and credited to the city or county bond and interest fund to be used solely to pay the principal of and interest on the bonds or temporary notes and the assessments shall be reduced accordingly by the amount of such credit.

(L. 1991 S.B. 8 1/2 11)

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Chapter 67 Political Subdivisions, Miscellaneous Powers Section 67.475

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Maximum bond indebtedness--advisory committee in certain cities.

67.475. The total amount of city or county general obligation bond indebtedness incurred for improvements under sections 67.453 to 67.475, including temporary notes issued pursuant to sections 67.453 to 67.475, shall not exceed ten percent of the assessed valuation of all taxable tangible property, as shown by the last completed property assessment for state or local purposes, within the city or county. Any city with a population of three hundred fifty thousand or more inhabitants shall appoint a citizen advisory committee composed of members of each council districts on proposed neighborhood improvement district.

(L. 1991 S.B. 8 \bar{i} /₂ 12)

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