



### New Board Members Installed

On Friday, June 30 the League held its Annual Installation of Officers Dinner for nearly 250 League members, legislators and spouses. The Courthouse Steps entertained afterwards with their own brand of humorous political commentary set to music.



*The League's Officers for the 2003-2004 year are: Mayor John Schuster of Glendale (L), Vice President; Mayor Betty Humphrey of Richmond Heights, Finance Chairman; and Mayor Bill Berfeld, Warson Woods, (R) President.*

### New Law on Setting Property Tax Rates

Municipalities and other political subdivisions that levy property taxes in St. Louis County may wish to review the statutory language for setting tax rates that was amended in 2002 (Section 137.073 RSMo 2002 Supplement or HB 1150). The law requires separate tax rates for residential, commercial, agricultural and personal property, rather than one rate for all classes.

The purpose of the law was to help reduce the property tax burden on homeowners in areas where residential assessments were increasing at a faster rate than commercial assessments, leading to higher tax bills for homeowners, particularly the elderly.

By establishing differing rates for each class of property, the rates for residential could be rolled back more than those for commercial, or vice versa. Rates are required to be rolled back so that political subdivisions receive the same amount of revenue, plus inflation. Taxes on new construction are added to pay for services to new homes and commercial establishments.

To aid in the calculations of the new tax rates, the Missouri State Auditor's Office has produced a worksheet that will help in the calculations. It is available on the Auditor's website at [www.auditor.state.mo.us](http://www.auditor.state.mo.us) then go to the link for Property Tax Forms. You will first need figures from the St. Louis County Assessor showing the totals in your municipality for all classes of property. In April, the League held a seminar with Becky Webb from the Auditor's Office, to help explain the process for setting rates. She is very knowledgeable about the new law and can assist cities. Her number is 573-751-4213.

Last summer the League retained Municipal Attorney Kevin O'Keefe to prepare an analysis of the legislation for use in consultation with your attorney. The opinion was sent to all member municipalities in July of 2002, but we do have additional copies available.

The analysis focuses on how and when municipalities may adjust the property tax rate, and specifically looks at the question of determining the maximum rate allowed without requiring a popular vote i.e. "what is the tax ceiling under the new statute?"

One interpretation would indicate that your 2002 rate will become your new ceiling for 2003. Therefore, if you had previously voluntarily rolled back your rate, you will lose the opportunity to raise your rate to the allowed ceiling in 2003 unless you took advantage of that opportunity in 2002. The League fought against this provision because it penalizes those cities that kept taxes low. With the economy doing poorly and tax revenues low, cities must consider their calculations carefully.

The second interpretation explains provisions that were left in the law that may allow cities to avoid the 2003 limitation described above and raise the rate to the ceiling in 2003 and future years. Both interpretations are analyzed in detail in the opinion from Mr. O'Keefe.

In addition, a letter from the State Auditor to the MML seems to confirm the second interpretation presented above. It states that the bill "adds the requirement that governing bodies . . . hold public hearings before increasing the tax rate up to the tax rate ceiling in any year." The letter also notes that "the definition of tax rate ceiling does not require that a voluntary reduction be considered in establishing the tax rate ceiling. This definition was not revised with HB 1150."

Due to the conflict between these approaches, it is very important that the opinion be subject to review by your attorney. Rates must be set by August 31.

## Legislative Wrap Up

The 2003 session was marked by ideological changes as Republicans took control of the House and maintained control of the Senate. Governor Holden, a Democrat, holds different views than the General Assembly on many issues, as would be expected.

Lean state revenues caused clashes over the budget, portions of which the Governor vetoed. The recent special session of the legislature is put together a revised budget that the Governor approved.

It appears that Governor Holden, at a minimum, would like the legislature to place a tax on the ballot, perhaps the narrowly defeated cigarette tax, but the Republicans argue that 3 taxes were defeated by voters last year and the economic conditions of many Missourians works against voter support for new taxes. In addition, Republican ideology favors lower taxes and less government, while advocating a stronger private sector.

Some legislation enjoyed bi-partisan support, but much of it caused typical partisan divisions. With the Republicans in control, some stereotypical legislation passed, such as tort reform and pro-business bills. Carrying concealed weapons also passed with Republican and rural democratic support – but the Governor vetoed the bill.

SB 11, which authorizes a sales tax holiday during one weekend in August 2004, passed to accommodate lobbying by the May Company. Some tax “loopholes” were closed, while most business development incentives were retained.

Malpractice caps were restored, unemployment eligibility tightened, and MoDOT oversight increased.

Borrowing will increase, in part to generate general revenue and in part to pay unemployment benefits. Major environmental bills that were perceived as lessening regulations failed at the last minute. Economic development laws were expanded to help Hazelwood’s Ford Plant, disaster stricken cities, and certain downtowns.

The budget did include \$50 million for trauma centers, as more and more were closing, but only involve hospital funds and federal money (no state funds) in a creative arrangement to help DePaul and other trauma centers to remain open.

Transportation Development District (TDD) language did pass to allow cooperating jurisdictions to set up a governing body to finance highway improvements. This was supported by the Cities of Maplewood, Brentwood, Rock Hill, Warson Woods, Glendale and Kirkwood, which are seeking to upgrade the Manchester Road streetscape.

Contacts by city officials helped greatly during the session. Many members of the General Assembly are swamped with calls and information – and many are new. Your contacts help them learn more about legislative impacts on local government and counteract some misinformation distributed by others.

## BILLS THAT PASSED

- SB 11 – Sales tax holiday for one weekend in August 2004.
- SB 136 and HB 511 – Changes election filing date to 16 weeks prior to election to avoid Christmas. SB 136 also changes to 4<sup>th</sup> Tuesday in April the deadline to appoint the president pro tem of the council in 3<sup>rd</sup> class cities.
- SB 199 – Reauthorizes \$40 million in state bonds to continue local water, sewer and storm-water projects, with about \$10 million for municipalities through MSD.
- SB 218 and SB 301 – Allow voters to increase sewer lateral fee to \$50 and clarifies inclusion of small condo properties. SIGNED
- SB 298 — Allows Sunday sales of liquor by the drink or package liquor beginning at 9:00 a.m.
- SB 447 - Mandatory \$8 court cost for Legal Services Fund on all cases (except traffic) in associate circuit courts.
- HB 289 – Downtown stimulus act to fund public infrastructure in downtown areas with median family income less than \$62,000. Will be subject to a County commission in St. Louis County. The bill also includes a \$10,000 cap on business license in villages under 1300 population beginning in September 2004. This provision could be removed next year. Also has incentives for Hazelwood Ford Plant. SIGNED
- HB 327 - Allows multi-city transportation development districts. The TDD provisions are also in HB 668. HB 327 also allows cities to adopt ordinances to add vehicle related fees and delinquent fines to personal property tax bills.
- HB 349 - Allows carrying concealed weapons subject to training requirements. VETOED
- Appropriations bills contain funding for the East Airport Tax Increment Financing District and also for statewide trauma centers, including DePaul Hospital. SIGNED

## LEAGUE OPPOSED BILLS THAT DID NOT PASS

- SB 36 – Limitations on trash collection beyond city limits
- SB 172 – TIF limitations
- SB 221 – Broadband deregulation/negative impact on franchises
- HB 289 – Cap on business licenses in 4<sup>th</sup> class cities (did pass for villages)
- HB 321 – Workers comp for police and fire occupational diseases unrelated to work
- HB 414 – Increased fines for violations of the Sunshine Law
- HB 517 – Homestead property tax cap for senior citizens

## Steps to Reduce Mosquito Populations

As the warmer weather settles in, so does the threat of mosquito carried diseases, such as West Nile Virus. Citizens can be proactive, along with local governments, to try to address problem areas where mosquitoes breed. The following tips from the County Health Department can be used by citizens to reduce the mosquito population.

- Eliminate standing water sites where mosquitoes can breed
- Remove tires, buckets, and other water-holding objects
- Clean and chlorinate swimming pools or drain and cover if not in use
- Make sure screens fit tightly in doors and windows
- Clean out clogged rain gutters and downspouts so they won't hold water
- Store inside or eliminate artificial containers such as flowerpots, cans, tires, etc.
- Empty, clean, and refill birdbaths on a weekly basis
- Keep fish in your fishpond, as they will eat mosquito larvae
- Install splash blocks around homes to carry water away from foundations
- If you have a pool, make sure the cover isn't holding water and breeding mosquitoes
- Empty and clean small wading pools at least once a week
- Store wheelbarrows upside down; cover or store canoes and boats upside down
- Keep in mind that mosquitoes rest in vegetation and other protected places; keep the grass cut and bushes trimmed
- Homeowners can purchase biological mosquito control products at garden centers, home supply, and other retailers. *Bacillus thuringiensis israelensis* (Bti) is the active ingredient; it destroys the intestinal lining of the mosquito larvae. Another product contains methoprene which prevents the larvae from developing into adults. Barrier sprays are also available that can be sprayed on vegetation where mosquitoes rest.
- Dispose of dead birds by double bagging and placing in the trash. Handle carcass with gloves or plastic bags protecting hands. Wash hands afterwards.

To avoid mosquito bites and reduce the risk of becoming infected with West Nile Virus, health officials suggest taking some simple precautions.

- Stay indoors at dawn, dusk, and in the early evening, when mosquitoes are most active.
- When outdoors wear light colored long sleeved shirts, long pants, and a hat.
- Spray clothing with repellants containing permethrin or DEET since mosquitoes may bite through thin clothing (follow product instructions).

- Apply insect repellant sparingly to exposed skin. An effective repellant contains 35% DEET (N, N-diethyl-meta-tolamide), DEET in high concentrations (greater than 35%) provides no additional protection (follow product instructions).
- Repellants may irritate the eyes and mouth, so avoid applying repellant to hands of children
- Whenever using an insecticide or insect repellant, be sure to read and follow the manufacturer's DIRECTIONS FOR USE, as printed on the product.

(West Nile Virus is usually transferred from infected birds by mosquitoes to humans and animals. Humans do not pass it to others.)

For additional information visit the Saint Louis County Department of Health website at [www.stlouisco.com](http://www.stlouisco.com), the Centers for Disease Control at [www.cdc.gov](http://www.cdc.gov), or the National Pesticide Information Center at [www.npic.orst.edu](http://www.npic.orst.edu).

## Round 3 Park Grants Awarded

The Municipal Park Grant Commission has awarded park improvement grants totaling approximately \$215,000 to 5 municipalities in St. Louis County from the Round 3 Funding Cycle. To-date 48 municipalities have received grants from this new program in the amount of \$3 million in the first 3 cycles.

The Round 3 cities and amounts awarded are:

<u>City</u>	<u>Amount</u>
Northwoods	\$54,700
Olivette	\$30,600
Pine Lawn	\$67,900
Rock Hill	\$26,600
St. John	\$34,200

Round 4 will take place in the Fall of 2003 and several million dollars will be available, making it much easier for cities to receive their second award during the fall funding cycle. Thereafter, the Commission intends to just do a Fall round each year. This decision was based on preferences expressed by cities that have attended the seminars. Informational meetings for the grants will be held in September and the grant packets will be mailed to all municipalities that same month.

Start planning your projects now!

## Emergency Communications Commission

In 2002, the legislature agreed with local police and fire officials along with municipal and County leaders and created an Emergency Communications Commission in St. Louis County. The purpose of the Commission is to recommend and oversee the development of a system of towers and radios that allow all public safety providers to become part of "talk groups" whenever necessary. Limits on frequency capacity limit the current system.

The Commission has been invited to submit a grant request to the State to design a conceptual plan. Grant funds should come from new federal Homeland

## Emergency Communication Commission (cont.) Security Funds.

The State will likely be divided into several communications districts that will allow anyone in a district to communicate with others with the flip of a switch at a central computer.

For example, in Eastern Missouri, a large fire involving several fire districts, municipalities, utilities, counties and others, would allow seamless communications through a central computer center utilizing the new system.

The Commission hopes to have a conceptual plan within a year. The League's representative to the Commission is Des Peres City Administrator Doug Harms.

## Historic Preservation Tax Credit Seminar

New innovative tools for redevelopment of urban areas include Historic Preservation Tax Credits from the Federal and State governments. The credits have been used very successfully in the City of St. Louis and some areas of St. Louis County may also be eligible for renewal using these tax credits.

Professional Housing Resources, Inc. (PHRI) is sponsoring a seminar on this program on Tuesday, July 29 at the St. Louis University School of Law, 3700 Lindell Blvd. There is no charge for the session. The speakers will be: Dave Herdlick, of the accounting firm of Rubin, Brown & Gornstein; Kate Shea, from the St. Louis Office of Cultural Resources, and Architect Ralph Wafer. For a copy of the registration form, call the League office at 314-726-4747 or visit our website at [www.stlmuni.org](http://www.stlmuni.org) and look under Current Events. For more information contact PHRI at 314-726-0098.

## Funds for Improving Energy Efficiency

The Missouri Department of Natural Resources is offering low-interest loans to finance energy-efficiency improvements in buildings and infrastructure. These loans help city governments, county governments, public school districts and colleges implement projects and develop strategies to maximize energy efficiency, saving taxpayers money on energy costs and redirecting these savings to fund essential services.

DNR is accepting applications at any time, and the loans may have terms of up to 16 years. Loan amounts and payback periods will be based on the amount of energy savings a project will accomplish. Projects that result in a reduction of energy cost and/or energy consumption are eligible for loans.

Typical projects may include HVAC upgrades and replacements, energy efficient lighting, insulation, windows, motors and pumps. New construction projects are eligible to receive funding on avoided costs of installing high-efficiency equipment. Currently loans are being offered at interest rates of 2.75% to 3.75%. Loan application forms are available online at [www.dnr.state.mo.us/energy/financial/loan.htm](http://www.dnr.state.mo.us/energy/financial/loan.htm) and the application process is simple. For more information, please contact Pat Justis at (314) 340-5930 or email at [nrjustp@mail.dnr.state.mo.us](mailto:nrjustp@mail.dnr.state.mo.us).

## Congratulations To . . .

Ballwin City Administrator Bob Kuntz, who was recently elected President of the Missouri City Management Association.

