

## Explanation of the MU Extension District Option

In its 2013 session, the Missouri Legislature passed a bill that authorizes county extension councils to form single-council and multiple-council, or consolidated, districts for the purpose of funding extension programming. A majority vote of the participating council or councils is required to form an extension district. In a single-council district, the existing extension council will serve as the district's governing body. In a consolidated district, a district comprising more than one county council, each participating council will appoint an equal number of representatives (three to five) to the governing board. Districts are authorized, but not required, to submit for voter approval a property tax levy of up to 30 cents per \$100 of assessed valuation. The law, which is section 262.598 of the Revised Statutes of Missouri, also includes provisions for withdrawing from a district and for dissolving a district.

### Explanation

The left-aligned, bold text is the wording of the law.

The indented, normal text is the explanation.

262.598.1. As used in this section, the following terms shall mean:

- (1) **"Consolidated district,"** a district formed jointly by two or more councils;
- (2) **"Council,"** a University of Missouri extension council authorized under section 262.563;
- (3) **"District" or "extension district,"** a political subdivision formed by one or more councils;
- (4) **"Single-council district,"** a district formed by one council;
- (5) **"Governing body,"** the group of individuals which governs a district.

262.598.2. University of Missouri extension councils, except for any council located in a county with a charter form of government and with more than nine hundred fifty-thousand (950,000) inhabitants, are

hereby authorized to form extension districts made up of cooperating counties for the purpose of funding extension programming. An extension district may be a single-council district or a consolidated district. A single-council district shall be formed upon a majority vote of the full council. A consolidated district shall be formed upon a majority vote of each participating council.

Subsection 2 allows creation of a district to support programming. It includes language that makes St. Louis County the only county not authorized for any of the district options contained within the law. A vote by a council to form a district or to be a part of a consolidated district needs to be recorded as any other vote. It should be noted that a quorum was present, or the full council in the case of a single-council district, and that there was a majority vote per the council's bylaws or by Robert's Rules of Order. The result of such a vote must be included in the county council minutes and should become a permanent record of the council and the district board.

262.598.3. In a single-council district, the council shall serve as the district's governing body. In addition to any other powers and duties granted to the council under sections 262.550 to 262.620, the council shall also have the powers and duties provided under subsection 5 of this section.

In a single-council district, the county extension council serves as the district board. However, it does not dissolve the county council or take away its duties under the law. The district option creates a separate governing body. Any meetings of the district board or county council should be held separately, and they must be posted as required by the Sunshine Law.

262.598.4. In a consolidated district, the governing body of the district shall consist of at least three, but no more than five, representatives appointed by each participating council. The term of office shall be two years. Representatives may be reappointed. The governing body shall elect officers, who shall serve as officers for two years, and establish a regular meeting

**schedule, which shall not be less than once every three months.**

Each county that is part of a consolidated district should have equal representation on the district board. The formation documents will establish the number of representatives, which must be from three to five per county. Appointment to the district board is a two-year term, and members may be reappointed. After the board is created, the members shall meet and elect officers, who will hold their posts for two years. It would be best for this board to establish bylaws for operational procedures. The board must meet at least once every three months.

**5. The governing body of a district shall have the following powers and duties:**

- (1) Review the activities and annual budgets of each participating council;**
- (2) Determine, by September first of each year, the tax rate necessary to generate sufficient revenue to fund extension programming in the district, which includes annual funding for each participating council for the costs of personnel and the acquisition, supply and maintenance of each council's property, work and equipment;**
- (3) Oversee the collection of any tax authorized under this section by ensuring the revenue is deposited into a special fund and by monitoring use of the funds to ensure that they are used solely for extension programming in the district;**
- (4) Approve payments from the special fund in which the tax revenue is deposited; and**
- (5) Work cooperatively with each participating council to plan and facilitate the programs, equipment and activities in the district.**

Subsection 5 explains the authority and duties of the district board, including specifying that the board can spend district funds on items that support extension programming, including equipment and services. A district is not required to have a tax. If the district has a tax, very strict guidelines within state law provide for the management and accounting of such funds. (Consult the MU Extension District Option Manual for more information.)

**262.598.6. The governing body of a district may submit a question to the voters of the district to institute a property tax levy in the county or counties that compose the district.**

The district board is responsible for determining if the district will ask voters for a tax levy.

**Questions may be submitted to the voters of the district at any general municipal election.**

Per Missouri election law, section 115.121.3, a general municipal election is authorized in April; the August and November elections are not general municipal elections. The district should work with the county clerk if it plans to take the issue to the vote of the people. The extension district will pay for the cost of the election.

**Any such proposed tax shall not exceed thirty cents per one hundred dollars of assessed valuation. The costs of submitting the question to the voters at the general municipal election shall be paid as provided in section 115.063. Such question shall be submitted in substantially the following form:**

**"Shall the Extension District in ..... County (insert name of county) be authorized to levy an annual tax of ..... (insert amount not to exceed thirty) cents per one hundred dollars of assessed valuation for the purpose of funding the University of Missouri Extension District programs, equipment and services in the district?"**

The law provides ballot language to be used to submit the question of imposing a tax to the voters of the district. (Consult the MU Extension District Option Manual for more about the election process, the estimated cost of an election and the amount of funding a tax levy might generate. It is always best to discuss the possibility of levying a tax with the county clerks, county commissioners and extension councils of all the counties involved.)

**In a single-council district, if a majority of the voters in the county approve the question, then the district shall impose the tax. If a majority of the voters in a single-council district do not approve the question, then no tax shall be imposed. In a consolidated district, if a majority of voters in each county in the district approve the question, then the district shall impose the tax. If a majority of the voters in a consolidated district do not approve the question, then no tax shall be imposed in any county of the district.**

In a single-council district, the outcome of the vote on the tax is determined by a simple majority of those voting in the county. In a consolidated district, voters must pass the initial imposition of the tax in each county that is part of the district by a simple majority vote. If the tax is not passed in each county, the tax is not imposed unless the county or counties in which the tax failed withdraw from the district.

**In a consolidated district, if a majority of voters in a county do not approve the question, the council in the county that did not approve the question may withdraw from the district.**

The question of an extension council of a county in which the tax failed withdrawing from a district should be handled at a special meeting of that council. A vote should be taken and recorded in the same manner as the council voted to join the consolidated district and thus requires a majority vote of a quorum to pass.

**Upon such withdrawal, the district shall be made up of the remaining counties, and the tax shall be imposed in those counties. However, if the county that did not approve the question does not withdraw from the district, the tax shall not be imposed. Revenues collected from the imposition of a tax authorized under this section shall be deposited into a special fund dedicated only for use by the local district for programming purposes.**

If a county in which the imposition of the tax failed does not withdraw, the tax is treated as failing throughout the district. How the district moves forward on organization and funding would then be determined by the district board and the participating councils.

**262.598.7. The County Commission of any county in which the tax authorized under this section is levied and collected:**

- (1) Shall be exempt from the funding requirements under section 262.597 if revenue derived from the tax authorized under this section is in excess of an amount equal to two hundred percent (200%) of the average funding received under section 262.597 for the immediately preceding three years; or**
- (2) May reduce the current year's funding amount under section 262.597 by thirty-three percent (33%) of the amount of revenues derived from the tax authorized under this section which exceed the average amount of funding received under section 262.597 for the immediately preceding three years.**

The statutory requirement of county support for local extension programing is eliminated if the new tax is adopted and produces twice the average funding of the most recent three years. The county may reduce its current-year funding by 33 percent of the amount that the new tax revenue exceeds the average funding for the most recent three years.

**262.598.8. Any county that collects tax revenues authorized under this section shall transfer all**

**attributable revenue plus monthly interest for deposit into the district's special fund. The governing body of the district shall comply with the prudent investor standard for investment fiduciaries as provided in section 105.688.**

County officials in each county of the district will impose and collect the tax. Any county collecting the tax revenues will transfer the money collected plus the interest earned on the money to the district on a monthly basis. The district must follow state law regarding proper handling of tax dollars, including investment of funds before expenditure.

**262.598.9. In any county in which a single-council district is established, and for which a tax has not been levied, the district may be dissolved in the same manner in which it was formed.**

If no tax has been adopted, the county council can dissolve a single-council district in the same manner as it created the district — by a majority vote of the full council.

**262.598.10. A county may withdraw from a consolidated district at any time by filing a petition with the circuit court having jurisdiction over the district. The petition shall be signed by not fewer than ten percent (10%) of those who voted in the most recent presidential election in the county seeking to withdraw from the district. The petition shall state that further operation of the district is contrary to the best interest of the inhabitants of the county that seeks to withdraw from the district. The circuit court shall hear evidence on the petition. If the court finds that it is in the best interest of the inhabitants of the county for the county to withdraw from the district, the court shall make an order reciting the same and submit the question to the voters. The costs of submitting the question to the voters at the general municipal election shall be paid as provided in section 115.063. The question shall be submitted in substantially the following format:**

**"Shall the County of ..... (insert name of county) being part of ..... (insert name of district) Extension District withdraw from the district?"**

The question shall be submitted at the next general municipal election date. The election returns shall be certified to the court. If the court finds that two-thirds of those voting on the question voted in favor of withdrawing from the district, the court shall issue an order withdrawing the county from the district, which shall contain a proviso that the district shall remain intact for the sole purposes of paying all outstanding and lawful obligations and disposing of the district's property. No additional costs or obligations for the withdrawing county shall be created except as

necessary. The withdrawal shall occur on the first day of the following January after the vote. If the court finds that two-thirds of those voting on the question shall not have voted favorably on the question to withdraw from the district, the court shall issue an order dismissing the petition, and the district shall continue to operate.

This section details how a county that is part of a consolidated district may withdraw from the district. This process must be followed even if no tax has been imposed. First, a petition is signed by voters equal to 10 percent of the number of voters who voted in the last presidential election. After the validity of the petition is determined, the circuit court conducts a hearing to determine whether withdrawal is in the best interest of the county residents. If the court determines that withdrawal is in the residents' best interest, the issue of withdrawal is submitted to the voters in the withdrawing county, with the cost of the election being paid by the petitioners or the county. Withdrawal requires approval of two-thirds of the voters. If the issue fails, the county remains part of the district.

**262.598.11. The governing body of any district may seek voter approval to increase its current tax rate authorized under this section, provided such increase shall not cause the total tax to exceed thirty cents per one hundred dollars of assessed valuation. To propose such an increase, the governing body shall submit the question to the voters at the general municipal election in the county or counties comprising the district. The costs of submitting the question to the voters shall be paid as provided in section 115.063. The question shall be submitted in substantially the following form:**

**“Shall the Extension District in ..... (insert name of county or counties) be authorized to increase the tax rate from ..... (insert current amount of tax) cents to ..... (insert proposed amount of tax not to exceed thirty) cents per one hundred dollars of assessed valuation for the purpose of funding the University of Missouri Extension District programs, equipment and services in the district?”**

**In a single-council district, if a majority of the voters in the county approves the question, then the district shall impose the tax. If a majority of the voters in a single-council district does not approve the question, then the tax shall not be imposed. In a consolidated district, if a majority of voters in the district approves the question, then the district shall impose the new tax rate. If a majority of the voters in a consolidated district does not approve the question, then the tax shall not be imposed in any county of the district. Revenues collected from imposition of the tax authorized under this section shall be deposited into the special fund dedicated only for use by the district.**

A district may request an increase in an existing tax levy by submitting the proposed increase to a vote of the people in the district. The issue must be passed by the majority of those voting in the district, but it does not require approval within each county in a consolidated district. The increase is imposed in all the counties if approved and in none of the counties if not approved.