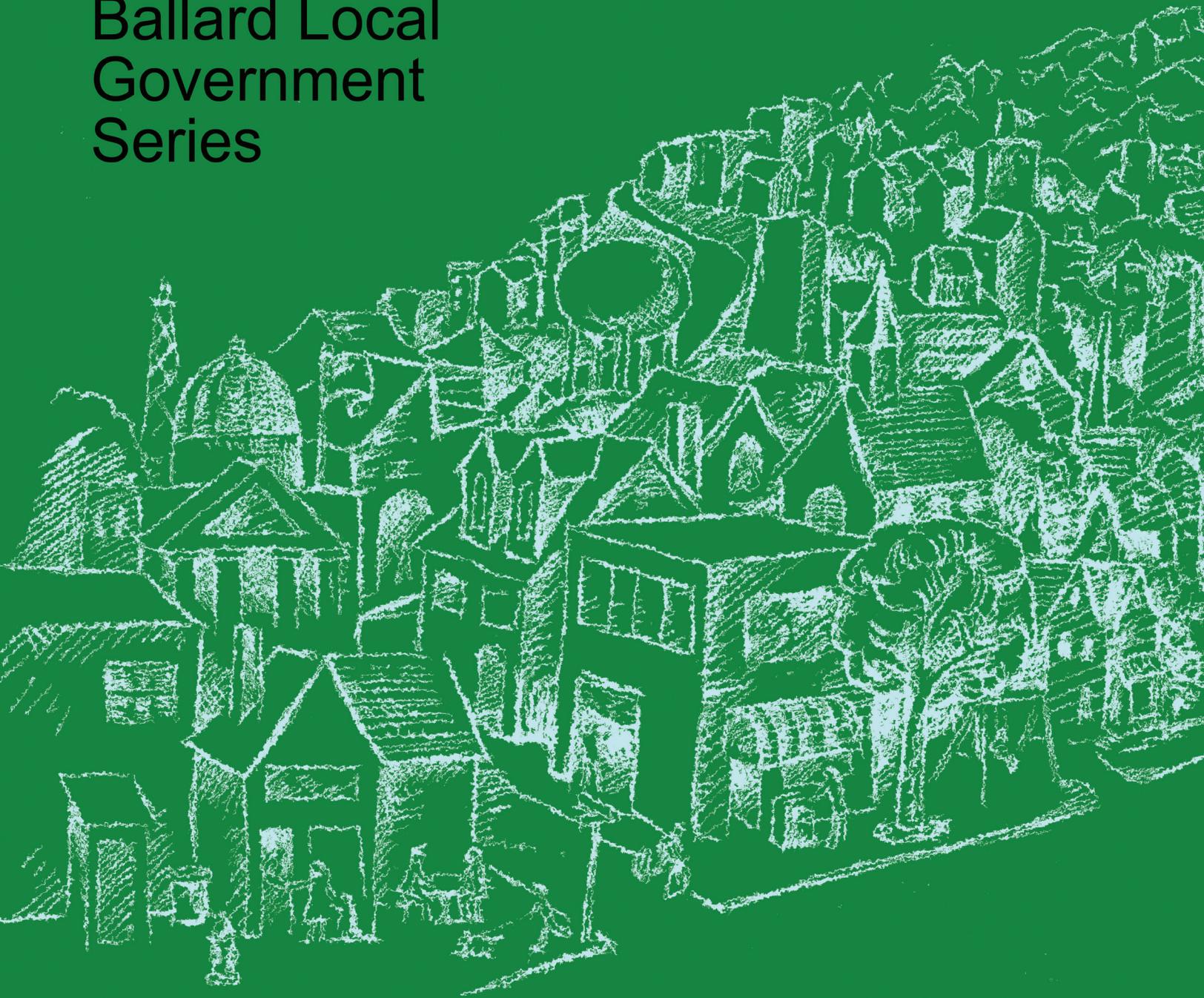


Rules for Missouri Townships

Ballard Local
Government
Series





John Ballard

John Ballard was a lifelong resident of Missouri. He attended the University of Missouri, earned a master's degree in community development in 1971, then worked for University of Missouri Extension as a local government specialist for 21 years.

During his tenure with MU Extension, he earned statewide recognition for his vast knowledge of state, city and county politics. After he retired in 1992, he continued to play an active role in Missouri government by operating a private consulting firm, Governmental Services, through which he published a monthly newsletter for more than 300 subscribers in the state.

Rules for Missouri Townships

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Eber Cude, Editor

First edition by John Ballard

Cover art by Dennis Murphy

University of Missouri Extension and
Local Government Partnership of East-West Gateway
Council of Governments, University of Missouri-St. Louis

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Acknowledgments

This manual is, first and foremost, the work of the late John Ballard. This edition would not be possible without the original manual that John conceived and wrote. One mark of John's authorship is his use of stories to teach. Several of those stories are included here.

The effort to preserve and continue John's work depends on many people. First, John's family led the effort by making his work available to University of Missouri Extension. The Local Government Resource Group (LGRG) within the Community Development Program worked diligently to provide the updates necessary to reflect changes since the first edition and devoted many hours to creating and reviewing this edition. The LGRG is led by Judith I. Stallmann, professor, community development extension, agricultural economics, rural sociology and public affairs, University of Missouri-Columbia. Other LGRG members are Ron Higginbotham, community development specialist, Boone County; Julianne Stone, director, Local Government Partnership, St. Louis; Tony DeLong, University of Missouri Council Relations, Tri-Lakes Telecommunication Community Resource Center (TCRC), Stone County; and Eber Cude, community development and local government specialist, Pulaski County. We also thank MU Extension Publications, particularly George Laur, Ann Robinson and Dennis Murphy.

Practitioners of local government across Missouri also contributed to the update process. Henry County Clerk Gene Pogue and Texas County Clerk Don Troutman contributed valuable advice and provided samples of forms used by their respective county townships. Ivan L. Schraeder, Missouri Association of Counties legal counsel, St. Louis, provided a review from an attorney's perspective. Many others provided advice and comments that greatly improved the quality of the update. We express our deepest appreciation to all who contributed to the work. They provided the quality, any errors are ours alone.

We hope this effort is useful to those who make township government work. This material is current through June 2007. However, laws change and errors slip into even the best efforts. Always check for updates and changes since publication. The following is a list of useful Web sites for this purpose:

- After the effective date of Missouri legislation each year (Aug. 28) township officials are urged to check the legislature's Web site to identify new laws affecting townships. Online at www.moga.state.mo.us.
- Some, but not all, changes that affect township government would likely be found online at moga.mo.gov/statutes/chapters/chap065.htm.
- Missouri Sunshine Law changes would likely be found online at moga.mo.gov/statutes/chapters/chap610.htm.
- Changes in eligibility for office would likely be found online at moga.mo.gov/statutes/chapters/chap115.htm.

Eber Cude
June 18, 2007
Waynesville, Missouri

Rules for Missouri Townships

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*Special thanks to Texas County Clerk Don Troutman and Henry County Clerk Gene Pogue,
who provided sample forms upon which many of these examples are based.*

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Resolution for Appointment of Custodian of Records

(1 page)

Meets Missouri Sunshine Law requirements, RSMo. Chapter 610

Treasurer's Report

(2 pages)

Meets reporting requirements. RSMo. Chapter 65.500

To be submitted to township clerk prior to April township board meeting

Accounts Payable and Payroll Check Register

(1 page)

Greatly simplifies creation of the financial statement

Notice of Meeting

(1 page)

Informs of the meeting and the tentative agenda

Notice of Closed Meeting

(1 page)

Required if a closed meeting is scheduled

Indicates the statutory authorization for closing the meeting

Township Budget

(3 pages)

Every township is required to complete, approve and keep on file for three years

Electronic version in Microsoft Excel available at the state auditor's

Web site, *auditor.mo.gov*

Financial Statement and Instructions

(6 pages)

Every township is required to complete and approve

Electronic version in Microsoft Excel available at the state auditor's

Web site, *auditor.mo.gov*

Township Real Estate and Equipment Inventory Record

(4 pages)

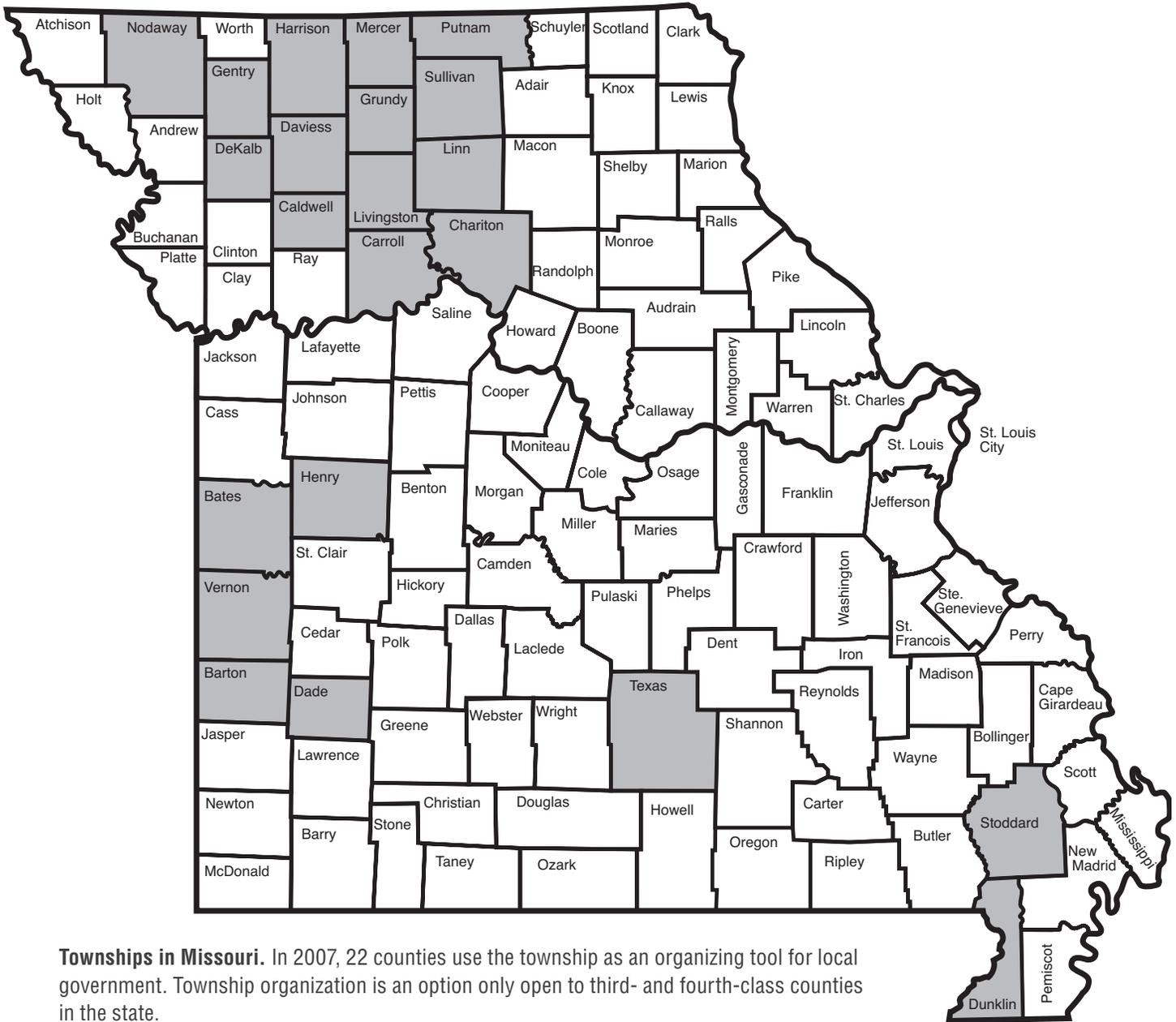
Required as part of the financial statement

Includes a form to list low water crossings, bridges and culverts

Telephone Bid Form

(1 page)

Documents contacts made for purchase decisions



Townships in Missouri. In 2007, 22 counties use the township as an organizing tool for local government. Township organization is an option only open to third- and fourth-class counties in the state.

I. Background

Eligibility

Township organization is an option open to third- and fourth class-counties in Missouri (65.010). Townships have been chosen by 22 counties (see map). Cass County had to give up the township form when it became a second-class county years ago. Wright County voted out the option in 2001.

Functions have changed

In earlier years, townships had somewhat broader functions, including law enforcement through an elected constable and judicial through a justice of the peace. Until recently, tax assessment was one of the township clerk's duties, but tax collection by townships ended in March 2007, as specified by the Missouri legislature in 2005.

While some functions have disappeared, new ones have been added by some townships. The option for township planning and zoning was authorized by the legislature in 1989. Some townships have formed fire protection districts with identical boundaries. All organized townships are responsible for township roads and their maintenance. Some are also responsible for bridges (see Chapter XVI. Roads and Rules).

Township choice

Choice of the township option appears to go back to the original settlement of particular counties, and the geographic patterns they followed. Settlers in Missouri arrived by two main paths. Some came from Virginia through Tennessee, Kentucky and southern Illinois. These settlers organized with the county as the basic unit of local government. Others came from Pennsylvania through Ohio and Indiana — all states with townships as the basic unit of government. These counties adopted the township organization option.

Abolition of townships

Many township counties have proposed abolishing townships, some many times (65.610-.620). Only two have ever succeeded when the decision was put to a vote. Daviess County voted to abolish townships and then reversed the decision shortly after it was passed. Wright County eliminated the township option in 2001. When abolition of townships has been proposed, election results seem to show that voters are largely happy with the township style of local organization (see Section VIII. Abolishing Townships).

Background

- Eligibility
- Functions have changed
- Township choice
- Abolition of townships

Officials

- Elections
- Officer eligibility
- Oath of office
- Term completion and perpetuity
- Vacancies
- Compensation and fees

Oath of office

Article VII Public Officers
Section 11, RSMo. Aug. 28,
2006.

Before taking office, all civil and military officers in this state shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this state, and to demean themselves faithfully in office. (Source: Const. of 1875, Art. XIV, § 6.)

In the *Governmental Services Newsletter*, March, 2003, in “Recent Questions to Governmental Services with Answers” John Ballard confirms that all public officials must take the oath before taking office.

He provides an example of such an oath:

“I _____, do solemnly swear (or affirm) that I will uphold the Constitution of the United States, of this state, and demean myself faithfully in office.”

II. Officials

Elections

Township elections are held on municipal election day (the first Tuesday after the first Monday in April) and are conducted by the county election authority. Voters elect a township clerk, a trustee *ex-officio* treasurer and two board members for two year terms (65.110, 65.190, 65.290). The trustee *ex officio* treasurer and the two board members make up the township board of directors (65.290).

All township books, papers, records and property must be turned over to new township officials when they take office (65.510).

Officer eligibility

To hold township office, each official must live in the township, be a registered voter in the township and remain a resident of the township during the term of office (65.150).

Effective in 2005, the Revised Statutes of Missouri prohibit any person guilty of a federal felony or misdemeanor from being eligible for election to public office (115.348). Anyone convicted of a state felony was disqualified as a candidate for elective public office in 2006 (115.350). That same year, the legislature also enacted the requirement that those who owe any tax, or are past or present corporate officers of any fee office that owes taxes to the state, are disqualified from participation as a candidate in an election (115.342).

Oath of office

Officials must be sworn in before taking office. How soon this is done is a decision for the township board. Outgoing officials retain their authority until the incoming officers are sworn in. The township clerk, county clerk or circuit judge can administer the oath (65.160). A certificate of acceptance of office must be signed by the newly elected official and filed with the township clerk (65.170). A person elected or appointed who refuses to serve is subject to a \$5 fine. If a person refuses to take the oath, the fine is \$100.

Term completion and perpetuity

Township officials are elected for two-year terms. However, the township itself has “perpetual existence.” In practice, this means that terms of officials continue until successors are elected or appointed and qualified. Expiration of a term does not relieve the official until a replacement is in place (Article VII, Section 12, Missouri Constitution). Resignations are permitted, but for a resignation to be accepted, a quorum is required (see below). Until the trustee has someone to give the checkbook to, the trustee keeps it, even if the term is finished.

Vacancies

When a vacancy occurs in a township office because no one has been elected, the elected person has failed to qualify or has died or relocated, or for any other reason, the township board recommends a replacement to the county commission. The county commission appoints the official and the appointee serves the balance of the term (65.200). Persons appointed receive a warrant of appointment similar to the certificate of election that those elected to the board receive. The warrant is filed with the township clerk and a copy is given to the county clerk (65.210).

To resign from a township office requires two essential steps. First, there must be a written, dated and signed offer to resign by the official. Second, there must be acceptance by a quorum. At least two of the three township board members must vote to accept the offer to resign (65.220). Resigning does not relieve the official of responsibility until the board accepts the resignation. This is how perpetual existence is maintained. Should more than one resignation threaten the quorum, the board must appoint one replacement before it accepts more resignations.

A statutory change made in 2005 specifies that a township officer may be removed from the township board by a majority vote of the other board members for failing to attend two or more consecutive board meetings (65.183). The replacement is appointed following the above procedures.

Compensation and fees

The base compensation for the clerk, trustee and board members is up to \$50 for the first meeting each month and up to \$20 for additional meetings during the month (65.230). In addition to meeting fees, the trustee receives 2 percent of the first \$5,000 handled, up to \$1,000 total, and 1 percent of all funds beyond \$50,000. An older authorization for paperwork fees paid to the clerk has been repealed.

Township officials may receive an hourly wage set by the township board for labor performed for the benefit of the township. The rate may not exceed the prevailing local wage (see 290.262 for prevailing wage information). Such labor does not include pay for attending meetings nor pay for the treasurer's performance of the duties of the office (65.230). However, the total amounts for wages are limited to \$500 per instance and \$5,000 total for the year (see Section XIV. Conflict of Interest).

The Township Board

- Members and president
- Powers
- Duties
- Frequency and location of meetings
- Claims
- Missouri products

III. The Township Board

Members and president

The township board has three members and three votes. At the first meeting after election, one of the two board members is designated president, primarily to sign papers in the township's name (65.310). The trustee is not eligible for the position of president. Some townships have the president preside and vote only to decide ties. Where the president votes on all matters, there are no ties, which is probably preferable.

Powers

Boards may buy, hold and sell real estate, including buying at public sale when the assets of anyone with obligations to the township are being liquidated (65.260). The board may make contracts and appear in court on the township's behalf. Going to court is done jointly, with both the township and the county named (65.280).

Duties

Three primary board duties are financial: auditing officers' accounts, auditing bills presented for payment, and setting and levying tax rates for township and road and bridge purposes. Tax rates must be certified to the county by Sept. 1 (137.073, 65.380). There are no requirements for outside audits of the township, but 5 to 25 percent of registered voters (the percentage depends on population), as determined by votes cast in the last gubernatorial election in the township, can bring in the state auditor to conduct an audit at the township's expense (29.230). If it can be afforded, having a periodic outside review of the books will provide assurance that everything is working as it should and will probably save the township money in the long run.

Frequency and location of meetings

Most boards meet monthly. Statutes require that township boards meet at least quarterly (65.300). A regular meeting place needs to be established, along with a regular location for posting meeting notices. Both of these locations must be accessible to the public (see Chapter IX. Meetings, Records and Votes). A township officer who fails to attend two or more consecutive meetings may be removed by a majority vote of the other board members (65.183).

Claims

The township's bills are either brought to a board meeting or given to the clerk to present to the board (65.320). Every claim is supposed to be verified by a sworn statement from the vendor.

The board issues an order to the trustee, which is signed by the president, stating the amount and the payee. The trustee then issues a check. Townships differ on the number of check signatures they require: Some require only one, some several. Whichever style is followed, the document is a warrant that is not negotiable until the trustee signs it. Any purchase of \$6,000 or more must be bid (see Section XI. Bids and the Bidding Process).

Missouri products

Statutes require that preference for purchases be given to Missouri products if they are as good as out-of-state products and cost no more (65.400).

Clerk Powers and Duties

- Meeting attendance and minutes
- Duties
- Oaths
- Files
- Custodian of records

IV. Clerk Powers and Duties

Meeting attendance and minutes

The clerk must attend all board meetings, but has no vote on board decisions. The clerk must keep minutes of meetings and actions taken in a book the township provides. This is the township's official history, and it is admissible in any court proceeding. The clerk also buys, at township expense, such other books, forms and papers as may be needed (65.420-.450).

Duties

The clerk's tasks include posting notices of meetings, certifying levy rates adopted to the county clerk, notifying the election authority of upcoming elections, and making agendas and other notifications publicly available.

The clerk must also attest to the accuracy of records. For this, it is good to have a seal that confirms the official nature of such documents. (Generic seals are available at many office supply stores, and more expensive, custom-designed ones can be ordered.)

Oaths

Clerks are both empowered and required to administer such oaths as may be necessary, either for transacting business or swearing in officials (65.410). State statutes specify that oaths are to be administered without charge (65.250).

Files

The clerk is charged with maintaining all official records of the township and must have reasonable means to do this. Though most townships have neither an office nor funds to spare, a township should have a file cabinet, preferably fireproof, in which to retain records. Careless handling of paperwork has the potential to put the township at great liability. When a single claim of unpaid overtime can go back as far as five years, records retention is very important. The secretary of state's office will assist with records retention decisions upon request.

Custodian of records

The state open meetings and records laws require each political subdivision to formally appoint a custodian of records and to publicly post their name and contact procedures (610.023). (A sample form for this purpose is in the back of this manual.

The deadline for responding to requests to review records is no later than the end of the third day following the request and sooner if possible. If immediate access is denied, a detailed explanation must be given. Denial of a request has to be given in writing within three days.)

The township clerk usually serves as the custodian of records. The way townships are organized under the statutes, it would make little sense for anyone other than the clerk to be custodian, though another arrangement is not prohibited.

Trustee Powers and Duties

- Bond
- Title and duties
- Outside audit
- Receipts
- Payments
- Reporting requirements

V. Trustee Powers and Duties

Bond

The trustee's first duty is to give bond in an amount equal to at least half of the highest amount of township funds on deposit at any time during the preceding year. The bond must be made payable to the township board and must be delivered to and be acceptable to the clerk. The bond becomes, during the time it exists, a lien against all real estate the trustee owns. Bonding ensures that the trustee will properly handle the township's funds and must be done before the trustee can perform any official duties.

Title and duties

The trustee position is formally titled trustee *ex-officio* treasurer. Trustees receive and pay out moneys of the township. The trustee also brings lawsuits in the name of the township when necessary, although hiring an attorney must have board approval and going to court must be done jointly with the county.

Outside audit

When a new Trustee takes office, it is good to have an outside person go over the bank records before the trustee accepts the responsibility. This does not indicate mistrust of an outgoing trustee. However, once the new trustee accepts responsibility for the bank account, the trustee becomes responsible for everything that has gone before, perhaps for the actions of a number of former trustees. Outside review is a sensible safety mechanism.

Receipts

The trustee receives all township money, both general revenue and road and bridge funds, from the county collector-treasurer. The trustee must give proper receipts for funds received.

Payments

The trustee only pays bills upon receiving an order from the board. Statutes say that the order must be signed by the chairman of the board (65.490), even though the board statute (65.310) calls this person president rather than chairman. The clerk must attest to an order to pay, in effect certifying that the expenditure is proper.

Reporting requirements

Elimination of the township collector has affected the reporting required of the trustee *ex officio* treasurer. Section 65.500 RSMo., adopted decades ago, requires various financial reports. Most concern school funds, which no longer pass through township hands.

Also required, however, is a report to the township clerk prior to the April meeting of the township board giving "... a detailed statement of all money by him received and paid out ...". While this requirement is for an annual report, keeping records current each month is recommended. (A sample form for this purpose, used by one township-organized county, is in the back of this manual.)

Collector Powers and Duties

- Office eliminated
- Fees changed

VI. Collector Powers and Duties

Office eliminated

The 2005 Missouri General Assembly passed legislation eliminating the office of township collector, effective March 1, 2007. The essence of the change is that the county treasurer *ex officio* collector is re-titled collector-treasurer and assumes the duties of the township collectors. The duties are to be done in the same manner as by the county collector in a non-township organized county unless there is a specific legislative requirement to the contrary.

Fees changed

The creation of certain new fees provides funding for the new arrangement, in lieu of the fees previously collected by the township collector. The township collector's fees are eliminated.

The collector-treasurer is to collect the following fees for the county:

- | | |
|--|---|
| • Less than \$5 million in taxes | 3 percent of the amount of taxes levied |
| • \$5 million to \$9 million in taxes | 2.5 percent of the amount of taxes levied |
| • \$9 million to \$13 million in taxes | 2 percent of the amount of taxes levied |
| • \$13 million in taxes and up | 1.5 percent of the amount of taxes levied |

In addition, the county collector-treasurer is to collect one-half of 1 percent on all fees and taxes to pay for mailing statements and receipts.

The collector-treasurer's salary is the same as the salary specified for the treasurer *ex officio* collector. Each collector-treasurer is entitled to at least one deputy, to be funded at a level no less than that of other county employees.

VII. Changing Township Boundaries

Vote to change boundaries

If one-fourth of the registered voters in a township or townships petition the county commission to change township boundaries, the commission must put the proposal on the April ballot. If two-thirds of those voting on the issue approve the change, it is made. The county commission is charged with naming the reconstituted township(s) “in accordance with the expressed wishes of its inhabitants” (65.530-.550).

Annexing or dividing townships

The county may annex a township to an adjoining township, particularly should one fail to elect officers, fill vacancies or otherwise perform its functions. Should this happen, before the county takes action, 12 citizens residing in the township can call a township meeting by posting notices that set forth the time and place of the meeting at least 10 days in advance.

The township meeting assumes the powers of the township board. If a township fails to elect and qualify officials, any resident may file an affidavit with the county clerk, and the county commission then appoints persons to the vacant posts (65.550).

A township may also be divided into two or more new townships (65.570). When this is done, after the township election, the trustees of each and the county assessor meet to decide on the division of property (65.570). Either of the trustees may call the meeting, giving three days’ written notice to all involved. Any debts of a township that has been divided are divided between the new entities by the same group (65.590).

Changing Township Boundaries

- Vote to change boundaries
- Annexing or dividing townships

Abolishing Townships

- Presenting the question
- Re-voting
- Procedures if abolished
- Influence on tax rates
- Unknowns

VIII. Abolishing Townships

Presenting the question

The question, “Shall township organization form of county government be abolished in _____ County?” must be presented to voters if the county commission receives petitions seeking action, which are signed by 10 percent of the number of voters for governor at the last general election. Petitions presented after May of even-numbered years are voted on in November, and other petitions are voted on at a special election within six months. A simple majority decides the question (65.610).

Re-voting

Once the question of either adoption or abolition has been on the ballot, it cannot be presented again for at least two years. Many counties have voted on this multiple times. Only two counties have ever voted in favor of a change — Daviess and Wright. Wright reversed the decision in a short time (65.610).

Procedures if abolished

Should the voters accept the proposition to abolish townships in a county, the change takes effect immediately. All township property becomes the property of the county, including real estate and road machinery and equipment. All terms of township officials end. The trustee turns over the township checkbook and any balance to the county clerk. The township no longer exists as a political subdivision the day following the election, and all decisions are the county’s (65.620).

The county treasurer *ex officio* collector becomes the county collector and operates under the statutes applicable to county collectors in RSMo. Chapter 52. This appointment lasts until March 1 following the next general election, at which time an elected collector is installed. If this general election is not scheduled for the collector, as required under Chapter 52, the person elected serves until March 1 following the general election specified for election of collectors.

A county treasurer is appointed to function as prescribed in RSMo. Chapter 54. This appointment runs until the election of a treasurer in the manner prescribed in Chapter 54.

Influence on tax rates

The township general revenue levy is the result of an 80- to 20-percent split of the county levy rate. If a township is eliminated, this taxing authority returns to the county, increasing the county general revenue tax-rate ceiling.

Unknowns

Should voters favor abolition, there are a number of unknowns. What would happen to zoning in townships that had adopted that option? Would a code that voters in a township had accepted be repealed by the township's abolition? If the zoning code remained, who would administer it with the township out of existence? (Counties have no partial zoning option.)

Similar questions arise regarding the levy rate for roads and bridges. In most counties, different townships have different rates. Adopting county organization would require a single rate, but how this would be established is unknown. Some think that to set the rate, the total revenues raised through the individual township levies should be calculated against the countywide assessed valuation, but there is no basis for this in the statutes. It is unknown whether this would violate the Missouri Constitution's ban on rates above those in place Nov. 4, 1980, without voter approval. Requests for legal opinions on these points have been unsuccessful, since such opinions would be speculating about conditions that do not presently exist.

Audit report on abolishment

The abolishment of township government in Wright County was audited by the Missouri Office of State Auditor. "The Abolishment of Township Government in Wright County" audit (Report No. 2001-120, Dec. 28, 2001) would be useful to any county considering abolition of township government.

Meetings, Records and Votes

- Sunshine Law
- Open and closed meetings
- Notice
- Public participation
- Minutes and votes
- Records
- Charges to copy records
- Violations and penalties
- The public has the right

IX. Meetings, Records and Votes

Sunshine Law

The Sunshine Law, also known as the Open Meetings and Records Law, covers all political subdivisions in Missouri, including townships. Its basic intent is clear in the following section: “It is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law “(610.011). The section goes on to instruct courts to interpret liberally the openness requirement and to strictly limit exceptions. With fines for violations ranging as high as \$5,000 per individual plus attorney’s fees (see below), care should be taken to do township business in public.

Open and closed meetings

There are only two kinds of meetings possible: open or closed. A long listing of authorizations for specific closings contains only four exceptions that might apply to townships. In the following instances, meetings may be, but do not have to be, closed: (1) During legal actions, but only if the township is suing or being sued (610.021[1]); (2) During real estate transactions where public knowledge would tend to affect the price (610.02[2]); (3) When hiring, firing, promoting or disciplining of particular employees where personal information about the employee is either discussed or recorded (unless a specific person is discussed, no closing is possible) (610.021[3]); and (4) When preparing specifications for a bid call, which lasts until the call is publicly announced, and for sealed bids received until the bid opening (610.021[11-12]).

To hold a closed meeting, it is necessary to vote in an open meeting to close for one of the specific authorized purposes. Notice must be given 24 hours before holding the closed meeting, with the citation given of the specific section (noted above) authorizing the closing.

Meetings to open bids may be closed until either a contract is awarded or all bids are rejected.

Notice

All meetings, except in *extreme emergency*, e.g. a bridge washed out — must give 24 hours prior notice to the public. This need not be complicated. An accessible location needs to be established for posting of notices. The law says, “in a manner reasonably calculated to advise the public” (610.020). The notice must contain a tentative agenda for the meeting. Be sure it always includes “and such other matters as may come before the board” to cover unanticipated agenda items. The clerk, or whoever posts the notice, should write the date and time on a corner, as in “Posted 4:00 p.m., 6/7/99,” in case a challenge should be made. (Sample notice forms are in the back of this manual.)

Public participation

The public is allowed to attend meetings. They are not allowed to participate unless the board chooses to permit this. Whether or not to do so should be discussed and agreed upon before there is a roomful of angry citizens all wanting to make a complaint. If public attendees are permitted to speak at meetings, time limits on comments should be set in advance. The public is not restricted to township citizens. If a reporter from *The New York Times* wants to attend a township board meeting, he or she may do so.

Minutes and votes

Minutes of open meetings “shall be taken and retained” and must include the date, time, place, members present and a record of votes (610.020[7]). The record of votes should be by member name. When the clerk prepares the agenda, each item should include board members’ names at the end, such as “Jones _____, Smith _____, Brown _____.” Then either “yea” or “nay” can be jotted in the blank after the vote. The law states: “When a roll call vote is taken, the minutes shall attribute each ‘yea’ and ‘nay’ vote or abstinence if not voting to the name of the individual member of the public governmental body.” The safest practice is to follow this procedure for every vote.

Records

Every public governmental body must formally designate someone as custodian of records. For townships, this should be the clerk, as stated in Section IV. Clerk Powers and Duties. The clerk’s name and contact information must be publicly posted (610.023). (A sample resolution is in the back of this manual.)

All records of the township, with very few exceptions, are open to the public. Requests for records have deadlines for responding. Exceptions include sealed bids that may be kept closed until the opening date. Also, personnel records beyond name, position, salary and length of service can and should be kept closed, including evaluations, reprimands and sick days used (610.021).

Charges to copy records

The township may recover the actual cost of making copies of records for people (with a 10 cents per-page limit on photocopying). The township should be prepared to document this charge. The clerk can require payment before producing the records (610.026).

Violations and penalties

Any person can challenge in court a public governmental body for having violated the state’s open meetings and records laws. Once the challenger demonstrates to a court that the law applies to a public body, it becomes the task of the body to prove it did not violate the requirements.

If the Board is found to have improperly closed a meeting, each member who voted to close and who participated in the meeting is subject to a fine of up to \$1,000 plus attorney fees for the challenger. (If the violation is found to be purposeful, the fine increases up to \$5,000.) In addition, the court usually nullifies any decisions made at the improperly closed meeting, which leaves the board with having to do the whole thing over again. If a board member objects to closing the meeting, that objection shall be included in the minutes. If that member also votes against closing the meeting, the member has an “absolute defense” against the penalties noted (610.022.6).

The Public has the right

It is the underlying presumption of this law that the public has the right to watch public business being transacted. This is hardly revolutionary. Since decisions will impact the public and will influence public expenditures, citizens have a right to be concerned. Whenever possible, make every effort to stress openness. Skeptical Missourians, when convinced no one is trying to hide anything from them, generally lose interest quickly. Operating in secret makes them think you are hiding something.

More on open meetings

The Web site of Missouri’s Office of the Attorney General provides detailed explanations of the state’s Sunshine Law. Online at ago.mo.gov/sunshinelaw.

X. Budgets and the Budget Process

Rules

Not a single cent of public money may be spent until a budget has been formally adopted following procedures set out in the statutes (67.010). According to the statute often referred to as the budget hammer rule: “No expenditure of public moneys shall be made unless it is authorized as provided herein” (67.080).

This is very clear. Unless there has been a formal resolution to adopt, accepted by a majority vote of the board, no funds can be spent. Though there are no budget police inspecting to make sure that every one of the state’s political subdivisions complies, these requirements can still be enforced.

For example, some years ago, Fayette had no city budget and one cantankerous citizen. The citizen filed suit. The court only had to glance at the law before freezing all of Fayette’s city income and outgo. They couldn’t pay city employees. They couldn’t pay bills. They were put on hold. Quickly they scratched down some figures and gave them to the judge. He was not impressed. Step by step, they had to go through all of the statutory procedures. Almost every entity, even a township, has one cantankerous citizen.

Budget officer

Every political subdivision must designate someone as budget officer (67.020), and that person must prepare a proposed budget for the board. Logically, this should be the clerk. Everyone connected with the township must furnish to the budget officer any facts or figures requested. After a draft is prepared, it is given to the board. They may, as is often necessary, give back the draft budget for revisions before they adopt it (67.030).

Budget contents

At a minimum, the budget must have five elements: (1) a budget message pointing out changes from the prior budget; (2) estimates of revenue for the coming year, the year currently in progress and revenue in the prior year; (3) estimates of spending for the coming year, the year in progress and spending in the prior year; (4) a list of note payments due the coming year and a report of balances remaining; and (5) a summary. The budget must balance (67.010).

Notice that much of the budget will be based on previous years’ numbers and the budget officer’s best estimates. How much revenue will come in is not known. Even the current year’s totals are not yet complete. The last solid figures are from two years ago. This year is not yet done, and next year is an educated guess. Budgets, because of this, are subject to revision

Budgets and the Budget Process

- Rules
- Budget officer
- Budget contents
- Changes
- Financial statement
- Keeping documents
- Fiscal year
- Failure to adopt
- Long-term and lease purchases

as the budget year progresses. Neither the budget officer nor the board can anticipate everything that will happen months from now.

Forms to follow for budgets are available from the state auditor's office. However, these may be more complex than townships will want, since they are designed for more complicated operations. Designing your own simple form is quite acceptable. (A budget outline is provided in the back of this manual.)

Changes

Any increase in spending over what has been budgeted during the course of the year must be approved by board resolution (67.040). The resolution must, statutes say, "set ... forth the facts and reasons making the increase necessary ..." Internal transfers may be made, such as general revenue for roads and bridges, as long as the changes do not put the budget out of balance. Total spending can be no more than revenues received plus any balance on hand at the year's beginning.

Financial statement

Two statutes require the township to file a financial statement (105.145 and 231.280). Found in completely different sections of the statutes, each has slightly different requirements. Combined, the requirements are:

- A full listing of all receipts and disbursements, from whom and on what account received, to whom and on what account disbursed.
- A complete inventory of all tools, road machinery and other property belonging to the township.
- Publication in a newspaper of general circulation in the township.
- Completion within 30 days of the end of the fiscal year.
- Filing with the county clerk and the office of state auditor (filing with the state auditor has a four-month deadline).

If the financial statement should be overdue beyond the April deadline, there is no pay or expense reimbursement for the governing body until the report is completed.

Keeping documents

Documents related to the budget must be kept on file for three years. These are public records, open to being viewed on request by anyone during reasonable times (67.060).

Fiscal year

The township fiscal year must match that of the county. This means all township counties must use the calendar year as their fiscal year (231.280).

Financial reports

The Office of Missouri State Auditor's Web site provides a financial statement form online at auditor.mo.gov under "Local Government." It is provided as an electronic form (Microsoft Excel) or as a paper version (PDF). Only the township inventory must be added. A copy of the print version, with instructions, is provided at the back of this manual.

Failure to adopt

Should the board fail to adopt a budget by the start of the township's fiscal year, the last-adopted budget remains in effect until the board approves a new budget. This means spending for whatever purpose cannot exceed that of the last budget (67.070).

Long-term and lease purchases

The township board cannot obligate its successors in office. Any purchase in an amount greater than the year's anticipated revenue plus balances on hand requires voter approval of a bond issue. To pass a bond issue requires an exceptional majority, usually by two-thirds of the voters, and becomes a lien against all taxable property in the township.

Many public entities dodge the bond issue requirements by using lease-purchase arrangements. Such an agreement must be cancelable by a new board when elected, even if the members do not change. This puts the vendor at additional risk, which usually is factored into the price quoted. Use this with caution.

Bids and the Bidding Process

- Legal requirements
- Phone bids
- Files
- Rejecting bids
- Specifications
- Sole-source suppliers
- Contracts

XI. Bids and the Bidding Process

Legal requirements

Since 1998, townships have been specifically included in the same requirements for seeking bids as are counties (50.660). Any purchase of \$6,000 or more must be bid. Public announcement of a bid must be published in a newspaper, with the specifications for what is being purchased, the closing date for bids and the date of the bid opening.

Statutes say “to the lowest and best bidder.” All bid announcements should include this “*and best*” phrase to cover situations where a bidder promises more than they can deliver, or to prevent a vendor of inferior product or services succeeding over responsible vendors. The statute goes on to say “after due opportunity for competition.” This sometimes is difficult for a township.

Phone bids

There is nothing wrong with seeking bids by telephone. Often this is necessary for entities like townships that lack offices and regular business hours. However, phone bids need to be treated exactly like submitted written bids. Design a simple form for soliciting phone bids that lists the person calling for the township, the firm called, the date, the person speaking for the vendor, what was offered and for what price — the same information that would be on written bids. (A sample bid form is in the back of this manual.)

Files

Make a file folder for every item that the township bids. The folder should contain a copy of the announcement, the specifications, written bids received and telephone bids solicited. Eventually, the contract will be added to the file, along with the affidavit of the notice’s publication. Specifications can be kept closed until public announcement of the bid-letting is made (610.021[11]). Sealed bids can be kept closed until bid opening (610.021[12]). It is a good idea to seal phone bids — after the paperwork has been completed — until the opening.

Rejecting bids

Every bid call should include the words, “The township reserves the right to reject any and all bids.” This is necessary because often bidders will offer to provide different things than what the township is seeking. If the bids received do not meet the specifications announced, the bids should be rejected, even though it slows down the process.

Specifications

It is not easy or simple to draw specifications. Suppliers will be glad to offer help, but be cautious if this is done. The supplier could arrange specifications so that only their product would qualify, nullifying the statutory “due opportunity for competition” mandate.

Sole-source suppliers

Do not assume that only one supplier can furnish what the township wants. Keep in mind, it was through using sole-source suppliers that military purchasers were able to buy \$600 toilets. There is almost always more than one supplier who can furnish an acceptable product.

Contracts

All contracts to which a township is a party must be in writing and must be signed by authorized representatives of the parties involved. Contracts must provide for “consideration wholly performed or executed subsequent to the making of the contract ...” Further, contracts must be “within the scope” of the township’s powers or “expressly authorized by law” (432.070).

Personnel and Records

- Coverage
- Hourly wage equivalent
- Comp time and overtime
- Employee benefits
- On-call time
- Volunteer work
- Penalties

XII. Personnel and Records

Coverage

Townships often do not think of themselves as employers needing personnel policies. Most have but one employee, an operator, and work arrangements are often informal. Records of hours worked are usually kept by the sole employee.

Even with only a single employee, the township is an employer. It must have an employer identification number, withhold income and Social Security taxes from wages, and pay state unemployment insurance. While the board members can probably be handled with a 1099 tax form, the trustee will need withholdings as well.

Townships are considered a public employer and must keep certain records under the federal Fair Labor Standards Act (FLSA). Employees, even if they number only one, must have a workweek on record. For the employer to implement the use of compensatory time, the employee must have agreed to accept comp time off in lieu of overtime pay, or the use of comp time must have been a condition of employment when they were hired. If hours worked during the workweek exceed 40, wages must be paid at time and one-half either in comp time or cash. Most public employers use comp time instead of cash.

Hourly wage equivalent

Regardless of how they are paid, all employees must have an hourly equivalent wage on record. This is the figure used for calculating overtime rates. If the employee is paid on an other-than-hourly basis, this equivalent is calculated by dividing hours worked per year into annual earnings.

Comp time and overtime

No more than 240 hours of comp time may be accumulated. This represents 160 hours of overtime work. Should an employee hit that mark, additional overtime must be paid in cash at a rate of time and one-half.

When an employee dies, quits, retires, is fired or is laid off, all comp time on the books is due and payable in cash. The rate is either the final rate of pay or the highest rate of pay in the final three years, whichever is higher. Thus, accrued compensatory time is a township liability, and someone should have a record of it besides the worker.

Once comp time is earned, it is the property of the employee. Within the bounds of reasonableness, it may be taken when the employee desires. However, a Supreme Court ruling allows employers to limit comp time budget liability by setting time limits within which comp time must be used. *Christensen v. Harris County*, 529 U.S. 576 (2000).

An employee does not have the right to decline to earn overtime. It is worth remembering that the original intent of Fair Labor Standards Act in 1937 was not to benefit workers, but to employ more people when over a fourth of the workforce was unemployed. The idea of replacing the 60-hour week with the 40-hour week was to provide more jobs.

Employee benefits

Townships must follow rules of the FLSA, which only covers hours worked. The FLSA does not concern common employee benefits, such as holiday pay, sick leave, vacations or differential pay for nights or Sundays. If the township chooses to offer any of these benefits, that is a township decision.

On-call time

Township operators are often on call, especially in winter. Generally, rulings under FLSA have hinged decisions on whether on-call time must be paid based on show-up time allowed. If an on-call worker is required to arrive in 10 minutes or less, on-call time is hours worked. If a called-in worker has more than 10 minutes to arrive, on-call time does not count as hours worked, most rulings suggest.

Volunteer work

Generally, an employee cannot volunteer for the same work for which he or she is paid. While the township's operator could volunteer to do machine work for a city or a county, volunteering for the township would be hours worked and would have to be paid.

Penalties

If a complaint is made, the U.S. Department of Labor investigates. They usually find violations of some sort, nearly always in recordkeeping. The agency can assess penalties that go back two years from the date the complaint was filed, or three years if the employer was purposely trying to dodge the law. Penalties can be doubled. This is a risk not worth taking. Compensate overtime and keep overtime records.

Nepotism: Do Not Appoint Relatives

- Prohibition
- Degrees of relationship
- Consanguinity and affinity

XIII. Nepotism: Do Not Appoint Relatives

Prohibition

The Missouri Constitution, in Article VII, Section 6, is direct and to the point. Officials or public employees who appoint a relative forfeit their office or job. This happens at the time the appointment is made. Appointment does not have to be to a paid position. “Any public officer or employee in this state who by virtue of his office or employment names or appoints to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment.”

The section forbids appointments of relatives. An official who abstains from voting when a relative is under consideration violates nothing. Also, a person is not in violation if elected to a position that a relative had previously held by election or appointment. However, if the township’s operator hires his or her son to help blade roads, the operator’s job is forfeited. The son keeps his job. If the board should hire the son, there is no violation. It is the use of an official position to appoint a relative that is prohibited.

Degrees of relationship

All relatives have a common ancestor. Degrees of relationship are calculated by counting from one relative back to the common ancestor, then forward to the other relative. First cousins, for example, the children of siblings, would be related in the fourth degree: from A to parent to grandparent, to B’s parent to B. Sisters would be related in the second degree: from one to parent to the other.

Consanguinity and affinity

These terms are fancy ways of saying, “by blood or by marriage.” A daughter and daughter-in-law count exactly the same. Spouses count as a unit, so that relatives of either are equivalent relatives of both. It is not clear if ex-relatives are or are not considered still related.

Revised November 2014

Section XIV has been revised to reflect changes since the manual was written.

XIV. Conflict of Interest

Definition

In ordinary language, what the conflict of interest law provides is that officials will not do business with themselves (105.450-.466). It says officials may not be paid or receive anything of value for official actions, beyond the statutory salary. They may not use information gained in an official capacity to benefit themselves or another, and they may not use official acts to benefit spouse or children (105.452).

Officials' pay limited

The law limits any paid work for the township by an official to \$500 per transaction and \$5,000 per year, plus the statutory salary. Rent, sale or lease of property is limited to the same amounts (105.454 and 105.458). There is no exception for an official to work for the township if no one else is available. The dollar limit is firm, regardless of circumstances. Above \$5,000, any official's work is unpaid, except for the bid exception described below.

Bid exception

An exception to limits above is provided when a competitive bid is taken and the official's bid is lowest (105.454[1 and 3] and 105.458). This covers work for sale to or rent to the township. However, note that in this exception, the language is not the "lowest and best" but the absolute low-dollar bid.

Officials' business interests

The law likewise limits businesses with which the official or family members are affiliated to the \$500 per transaction, \$5,000 per year maximum. Having substantial interest in a business is defined as the official or a family member owning 10 percent or more interest, having an interest worth \$10,000 or more or drawing \$5,000 or more of annual salary by the official and/or family members collectively (105.450[10]).

Penalties

The first conviction for violating the conflict of interest law is a Class B misdemeanor, with maximum punishment six months' confinement (558.011). Every additional offense is a Class D felony, with a maximum punishment of five years' confinement (558.011). Fines are also possible.

Conflict of Interest

- Definition
- Officials' pay limited
- Bid exception
- Officials' business interests
- Penalties

Township Planning and Zoning

- Authorization
- Purposes
- Limitations and exemptions
- Funding

XV. Township Planning and Zoning

Authorization

A township may, with voter approval, adopt planning, zoning or both, except in counties that have adopted county planning, zoning or both (65.650-.700). Adoption must be put before the voters upon presentation of petitions with registered voter signatures totaling 5 percent of the last gubernatorial vote in the township. Abolishing a program that has been adopted goes before voters with the same number of signatures.

Purposes

The purpose of either planning, zoning, or planning and zoning, is to bring about coordination of development in "accordance with the present and future needs," the statutes say. Regulations on the use of land, except for agricultural purposes, can be part of the program. Permits for non-farm construction may be required.

Limitations and exemptions

Most planning and zoning programs include provisions that relate to protection of public health and safety. However, one township that tried to use such provisions was challenged in court and lost the case. The Missouri Supreme Court held that townships have no public health and/or public safety protection authority. *Premium Standard Farms, Inc., Appellant-Respondent, v. Lincoln Township of Putnam County and Dana Mathes, Respondents-Appellants*, 79107 (1997). For more information, go to www.courts.mo.gov.

Regulations cannot interfere with utility services. Any regulations adopted apply only in unincorporated parts of the township. No regulation or requiring of permits is allowed "with respect to land, used or to be used for the raising of crops, orchards or forestry" (65.677). Neither can these cover buildings or structures used for farm purposes. Still left unanswered is whether the code can cover livestock operations. Most codes adopted try to deal with this through setback minimums. None have yet been challenged in court.

Funding

Funding is the major limit on any such program. While permit fees may be charged, they are generally insufficient to finance much of a code enforcement program. Other money must come from township general revenues, with no additional levy authority provided. Most of the functioning programs rely heavily on voluntary cooperation and unpaid community service efforts.

XVI. Roads and Rules

Roads in general

General road laws can be found in chapters 228, 229 and 231 RSMo. All road laws apply to township counties unless the law specifically states otherwise (231.150). Roads vary widely from one that was built yesterday to one that was there when a county was first organized. According to John Ballard, when the state was first organized, law defined a road as “eight feet wide with stumps no more than 12 inches high.” Under current rules, any road for which federal money is spent must have a 60-foot-wide right-of-way. During the time the King Bill aided rural roads in Missouri, minimum rights-of-way were required, but the dimensions changed more than once. Consequently it is not possible to say: “A road is _____ feet wide.” They are many widths.

During statewide reassessment in the early 1980s, assessors had to try to determine property lines accurately. The results of these assessments gives us better records of where rights-of-way start and end than we have had, but they still are not fully complete.

Establishing and dedicating

It takes 12 registered voters of the township to petition the county commission to open a road. In this case, the commission has statutory procedures to follow. If the commission orders the road established, it becomes the township’s to maintain. Similarly, 12 voters may petition the county commission to vacate a road. Statutory procedures must also be followed for road closure. A road may also be disestablished if it is not used for a five-year period.

There is widespread misunderstanding about dedications. Developers will put on their plats: “This road is dedicated to public use” and think that makes it a public road. It does not. Until a road is accepted formally by the county, it remains the developer’s responsibility. A gift has two parts: offer and acceptance. The offer does not make the transaction complete.

A road becomes public if sufficient public funds are spent on it to enable public use for 10 years. In summary, a road is considered public based on dedication and acceptance, expenditure of public funds and public use (228.190).

Condemnation

A county can condemn and acquire the land necessary for a road. When this is done, appraisers set land values and owners receive compensation for land they lose.

Roads and Rules

- Roads in general
- Establishing and dedicating
- Condemnation
- Access
- Cemeteries
- City streets
- Roads on township line
- Obsolete provisions
- Weight and speed limits
- Road districts
- Brush law

Access

It is well known that an owner must be granted access to his or her property, often referred to as “ingress and egress.” However, the access does not have to be on a path the landlocked owner prefers. The owner who must be crossed to get to the other property decides where to locate the access.

Cemeteries

A common misunderstanding is that a public road must be provided to all cemeteries. This is not correct. Access must be permitted to all cemeteries, but there is no mandate that it be by a public road.

City streets

The township may spend up to one-fourth of the road and bridge revenue collected from within the city limits of any incorporated place on the city or village streets. However, there is no requirement to do so. Should the city limits cross a county line, no money may be spent outside the home county (65.295). The township may spend road and bridge funds on a city street that connects to a township road at the city limits if the street “forms a part of a continuous highway of the township” (137.585 [2]).

Roads on township line

Statutes provide that, where roads are on the boundary line between townships, the line will be at one edge or the other, not the centerline. If the two township boards are not able to agree on the boundary, the county commission settles the issue (231.160).

Obsolete provisions

Many of the state’s road laws are old and a bit obsolete. For example, the township board, in its April term, is charged with dividing the township into road districts and appointing a road overseer for each. The overseer is to be “a practical road builder, or possessed of technical or scientific knowledge of such work.” After appointment, he or she is to be paid not more than 30 cents per hour for time actually worked (231.170). Not many road builders still work for that rate. FLSA minimum wage standards prohibit it as well. Similarly, the township is to build all bridges costing less than \$4,500 (231.230). The county builds the rest, unless township and county have reached a different agreement. The township is charged with repairing bridges, up to \$25.

Weight and speed limits

The county can establish weight limits for roads and bridges. It can also establish speed limits on rural roads. However, counties often lack capacity to enforce such limits. While most counties post bridges as protection against liability, fewer try to set speed limits.

Road districts

For convenience, the township may divide the roads into as many districts as it chooses. Changes of district boundaries may only be made at the April meeting (65.390).

A part of the township may be split off and withdrawn from the township's road system by voters who form a Special Road District (233.320-.445). When this happens, roads in that district are no longer a township responsibility. Four-fifths of the road and bridge tax collected from within the district is then turned over to the commissioners of the district, with the balance remaining as township revenue (137.555).

To create the special road district, petitions with signatures of owners of a majority of the acres within the boundaries drawn are presented to the county commission. The commission notifies the public either by publishing notice or by posting five handbills. A date is given for filing remonstrances, or protests with the district being organized. Any owner within the boundaries may file a remonstrance.

The commission then hears the petition and reviews any remonstrances filed, makes such adjustments in the boundaries as necessary, and either declares the district to be organized or the petition to be denied. If the special road district is approved, three commissioners, who must be registered voters living in the district, are appointed. One serves one year, one two, and one three, and each year thereafter, one commissioner is elected to a three-year term. The new commissioners receive all machinery, equipment and revenues the township has for working on roads in the newly formed district.

Special road district commissioners have the power, subject to voter approval, to issue road and bridge bonds. These bonds, together with current indebtedness, may not exceed the value of 5 percent of the assessed property in the district. Proceeds from the sale of bonds shall be used for constructing, repairing and maintaining bridges and culverts within the district and for dragging district roads (233.345).

An additional method of funding road improvement in the special district is the benefit assessment. Petitions requesting improvement and signed by owners of a majority of the acres within a half-mile of the road are presented to the special road district commissioners. The commissioners prepare a plan for improvement, subject to review by the state highway engineer, and prepare a valuation listing. This looks at all property in the district (the value of land only, exclusive of buildings). Land is sorted into taxing categories based on distance – land that is within a half-mile of the road, one-half to one mile, one mile to a mile-and-a-half, and then the balance. All of this information is filed with the county commission.

Any owner within the half-mile category may file an objection or exception. These are considered by the county commission before it makes

a final decision. Then an estimate of improvement costs is calculated, with allowance for overruns.

A special tax is levied against the owners to pay for the improvement. Owners within a half-mile pay 100 percent of the tax rate. Owners one-half to a mile pay 75 percent, owners a mile to a mile-and-a-half pay 50 percent, and all other owners pay 25 percent. Tracts are considered wholly within the bracket where their bulk lies. Tax is assessed on the proportion of total value of each tract.

Each tax bill becomes a lien against the property it benefits. Bills may be paid in full or within a year with interest. Interest is 8 percent. Landowners can make as many as 15 annual installments, at 6 percent interest. The county clerk and county collector keep books on the amounts due. They receive small extra compensation for doing this.

This structure has been in the statute books for over 80 years. No one recalls it ever being used. In the right circumstances at the right place, it could be an attractive alternative to later forms invented such as neighborhood improvement districts. The benefit assessment has the unique feature of valuing land only and disregarding value of buildings, which could be advantageous in some instances. It appears particularly attractive where a considerable portion of the land is absentee-owned.

Brush law

Property owners in the 14 township-organized counties north of the Missouri River and west of Highway 63, plus Schuyler and Worth counties, are required to remove brush adjacent to county roads. If brush is not “cut, burned or otherwise destroyed as often as necessary in order to keep such lands accessible for purposes of maintenance and safety of the county road,” the county may, after proper notification, clear the brush and levy the expense against the property. This levy is then collected along with other taxes on the property (263.245).

XVII. CART Funds

County Aid Road Trust

The County Aid Road Trust, known as CART, was one of the first revenue sharing programs in Missouri. Adopted in 1962, it returned a portion of the gasoline taxes collected by the state to the cities and counties. Later, a portion of license and registration fees was added to the shared funds. These monies are strictly for use on roads and bridges (231.441). Counties may construct, reconstruct, maintain and repair. Cities and villages may do those four types of road-related work, plus they may also use the funds to pay for police, lights, signage and cleaning.

Pass-through funds go to counties

The Missouri Constitution (Article IV, Section 30[a]) expressly forbids pass-through of CART money to townships: “In counties having the township form of county organization, the funds credited to such counties shall be expended solely under the control and supervision of the county court, and shall not be expended by the various townships located within such counties.” To avoid violating this prohibition, many counties issue bid calls for rock, which is purchased with CART money and then distributed on some equitable basis among townships. Other counties use CART funds solely for bridges, which are a county responsibility. The constitution makes plain, the decision belongs to the county.

CART Funds

- County Aid Road Trust
- Pass-through funds go to counties

Tax Rates and Calculation

- Setting rates
- Two funds and rates
- Adjustments
- Bond issues

XVIII. Tax Rates and Calculation

Setting rates

Tax rates must be in the hands of the county clerk before Sept. 1 in order to receive revenue from any year's tax bills. Rates must be set in an official board meeting. Details often make this process quite confusing.

Two funds and rates

The township has two funds and two tax rates: general revenue and road and bridge. There are maximums for each in the state constitution and maximums in more than one statute, which may not all agree. One important date is Nov. 4, 1980, which was the adoption date of what is called the Hancock Amendment. Any rate above what was levied on that date requires voter approval.

The general revenue levy rate maximum is 10 cents per hundred dollars' assessed valuation. This must be adjusted each odd-numbered year when taxable property is revalued for tax purposes. If total valuation goes up, the tax rate generally must be reduced to produce no more taxes than before, adjusted for new construction. If total valuation goes down, the tax rate sometimes can be raised, but this usually is more difficult.

The road and bridge base levy is 35 cents (137.585), with an optional increase to 50 cents authorized in 1978 (Article X, Section 12[a]). Such an increase requires one-time voter approval before the change becomes permanent. Above this level, an additional 35 cents can be levied, but only for four years before it rolls back and voter approval is required again.

Adjustments

Rollbacks below the maximum allowable required by changes in assessed valuation can be nullified with voter approval. If a 50-cent rate, after adjustment, came to 43 cents, a simple majority vote can authorize its increase back to 50 cents. This will, of course, last only until the next rollback occurs in the next odd-numbered year.

Each year, a tax rate ceiling is established, confirmed by calculations reported on forms sent by the state auditor through the county clerk to allow for the increases in assessed valuation. These set the maximum amounts that can be levied without going back to the voters.

Bond issues

Long-term borrowing requires bond issues, which each have a levy above the base amount. These levies are recalculated each year against assessed valuation for that year. Levy amount maximums are whatever it will take to produce loan payments due in the coming year, with reserve funds restricted to one year's interest and principal.

Sample Forms for Townships

(Forms in order referenced in text)

Resolution for Appointment of Custodian of Records

(1 page)

Meets Missouri Sunshine Law requirements, RSMo. Chapter 610

Treasurer's Report

(2 pages)

Meets reporting requirements. RSMo. Chapter 65.500

To be submitted to township clerk prior to April township board meeting

Accounts Payable and Payroll Check Register

(1 page)

Greatly simplifies creation of the financial statement

Notice of Meeting

(1 page)

Informs of the meeting and the tentative agenda

Notice of Closed Meeting

(1 page)

Required if a closed meeting is scheduled

Indicates the statutory authorization for closing the meeting

Township Budget

(3 pages)

Every township is required to complete, approve and keep on file for three years

Electronic version in Microsoft Excel available at the state auditor's

Web site, *auditor.mo.gov*

Financial Statement and Instructions

(6 pages)

Every township is required to complete and approve

Electronic version in Microsoft Excel available at the state auditor's

Web site, *auditor.mo.gov*

Township Real Estate and Equipment Inventory Record

(4 pages)

Required as part of the financial statement

Includes a form to list low water crossings, bridges
and culverts

Telephone Bid Form

(1 page)

Documents contacts made for purchase decisions

Resolution for Appointment of Custodian of Records

Whereas, Section 610.023.1 RSMo. provides that a public governmental body is to appoint a custodian who is to be responsible for the maintenance of that body's records and the identity and location of the custodian is to be made available upon request, and

Whereas, Section 610.026.2 RSMo. provides that a public governmental body shall provide a reasonable written policy in compliance with sections 610.010 to 610.035 RSMo., commonly referred to as the Sunshine Law, regarding the release of information on any meeting, record or vote,

Now therefore be it resolved:

1. That _____ be and hereby is appointed custodian of records of _____, and that such custodian may be contacted at _____.
2. That said custodian shall respond to all requests for access to or copies of a public record within the time period provided by statute except in those circumstances authorized by statute.
3. That the fees to be charged for access to or furnishing copies of records shall be as hereinafter provided, which fees do not exceed the actual cost. See attached list for itemized charges.
4. That it is the public policy of _____ that meetings, records, votes, actions and deliberations of this body shall be open to the public unless otherwise provided by law.
5. That _____ shall comply with sections 610.010 to 610.035 RSMo., the Sunshine Law, as now existing or hereafter amended.

Adopted: by the _____ Township Board of

_____ County in regular session this

Day of _____, _____.

Attest: _____, Clerk of _____ Township

Notice of Meeting

Date and time of posting: _____

Notice is hereby given that the _____

will conduct a meeting at _____ o'clock on _____

at _____ (location).

The tentative agenda of this meeting includes:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

and such other matters as may come before the Board

***To be posted "in a manner reasonably calculated to advise the public"
at least 24 hours in advance.***

Notice of Closed Meeting

Date and time of posting: _____

Notice is hereby given that the _____

having duly voted to close its upcoming meeting as authorized by

Chpt. 610.021. _____ RSMo., will conduct a closed meeting at

_____ o'clock on _____

at _____ (location).

610.021.1	Legal actions involving a public governmental body
610.021.2	Leasing, Purchase or sale of real estate where public knowledge would tend to effect the price
610.021.3	Hiring, firing promoting or disciplining of a specific employee
610.021.11	Preparation of specifications for a bid-letting (released when publicly announced)
610.021.12	Sealed bids and related documents (released when contract is awarded or bids rejected)

See Chap. 621 Section 021 for additional authorizations.

***To be posted "in a manner reasonably calculated to advise the public"
at least 24 hours in advance.***

_____ **Township Budget**

_____ **Fiscal Year**

Road and Bridge Fund

Administrative Fund

(Check one if separate budget - Check both if combined budget)

On January 1 of the current fiscal year, balances were:

Checking	\$ _____
Savings	\$ _____
CD / Time deposit	\$ _____
All other investments	\$ _____

Total funds available at the beginning of the year \$ _____

Revenue

1 Township Road and Bridge Tax levy collections	\$ _____
2 Administrative Tax levy collections	\$ _____
3 County funds (C.A.R.T., MV-Fee, MV-Sales Tax)	\$ _____
4 National Forest Payment In Lieu of Taxes	\$ _____
5 Financial tax collections	\$ _____
6 Interest income	\$ _____
7 Sale of surplus property	\$ _____
8 Donations	\$ _____
9 Reimbursement / Discounts	\$ _____
10 FEMA / SEMA funds	\$ _____
11 Others: _____	\$ _____
12 Others: _____	\$ _____
13 Others: _____	\$ _____
14 Others: _____	\$ _____

Total revenue budgeted \$ _____

_____ **Township Budget**
_____ **Fiscal Year**

Expenses

Administrative expense

1 Board meeting salary	\$ _____
2 Township officials' fees	\$ _____
3 Township officials' reimbursements	\$ _____
4 Rent	\$ _____
5 Utilities	\$ _____
6 Board supplies	\$ _____
7 Board equipment	\$ _____
8 Postage expense	\$ _____
9 Mileage allowance	\$ _____
10 Election expense	\$ _____
11 Miscellaneous expense	\$ _____
12 Others: _____	\$ _____
13 Others: _____	\$ _____
14 Transfer to Road and Bridge Fund	\$ _____

Total administrative expense \$ _____

_____ Township Budget

_____ Fiscal Year

Road and Bridge Expense

A.	Employee wages	\$ _____
B.	Withholding expenses	\$ _____
C.	Fringe benefits	\$ _____
D.	Contract labor	\$ _____
E.	Supplies	\$ _____
F.	Equipment	\$ _____
G.	Equipment repairs	\$ _____
H.	Road material	\$ _____
I.	Gravel - Chat	\$ _____
J.	Culverts	\$ _____
K.	Concrete	\$ _____
L.	Capital projects	\$ _____
M.	Others: _____	\$ _____
N.	Others: _____	\$ _____
O.	Others: _____	\$ _____
P.	Emergency fund	\$ _____

Total Road and Bridge expense \$ _____

Total expense budgeted \$ _____

(Administrative plus Road and Bridge)

Summary:

Total revenue \$ _____

Less total expense \$ _____

Balance for future years' expenditures \$ _____

Financial Statement

(Political Subdivision Name)

(Address)

(Telephone Number)

(Email Address)

CERTIFICATION

I _____, _____ of
(Name - please print) (Title)

_____ of _____ do attest, under oath, this
(Political subdivision) (County)

report is a true and accurate account of all financial transactions for the year ended _____.
(month, day & year)

Signature _____

Subscribed and sworn to before me this _____ day of _____, 20_____.

(Notary public signature)

(Notary seal)

My Commission Expires: _____

Financial Statement Summary

For the Year Ended _____

	Total All Funds	General Fund	Fund	Fund	Fund
Beginning Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Receipts	_____	_____	_____	_____	_____
Total Disbursements	_____	_____	_____	_____	_____
Ending Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Receipts

	(Political Subdivision Name)				
	Total All Funds	General Fund	Fund	Fund	Fund
Property Tax					
	\$	\$	\$	\$	\$
Total	(T01)				
Sales Tax					
Total	(T09)				
Franchise Tax					
Total	(T15)				
Intergovernmental Receipts					
Total					
Charges for Services					
Total					
Utility Receipts					
Total					
Interest Earned	(U20)				
Other Receipts and Transfers					
Interfund Transfers					
Total					
Total Receipts	\$	\$	\$	\$	\$

Statement of Indebtedness

Issue Description	(Political Subdivision Name)			
	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Retired During Fiscal Year	Outstanding End of Fiscal Year
General Obligation Bonds	(19X)	(29X)	(39X)	(41X)
	\$ _____	\$ _____	\$ _____	\$ _____
Revenue Bonds	(19X)	(29X)	(39X)	(41X)
	_____	_____	_____	_____
Other Debt				
	_____	_____	_____	_____
Totals	\$ _____	\$ _____	\$ _____	\$ _____

Statement of Assessed Valuation and Tax Rates

Assessed Valuation

Real Estate	\$ _____
Personal Property	_____
State Assessed Railroad and Utility	_____
Total Valuation	\$ _____

Tax Rates

Funds	Tax Rate (per \$100)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Instructions for Completing Financial Report for Political Subdivisions

1. **Please complete and sign the certification section** and have the signature notarized before mailing the completed form to the State Auditor's Office, P.O. Box 869, Jefferson City, MO 65102.
2. **Financial Statement Summary (page 1)** – Five columns are provided, one for the total of all funds, one for your General Fund, and three for any other funds which you may have. If you have funds in addition to your General Fund, such as a Debt Service Fund, Street Fund, or Water and Sewer Fund, you need to insert the name of any such fund in the blanks provided. If you have more than three funds in addition to your General Fund, you will need to attach a separate page showing the additional funds. Many smaller governments operate using only a General Fund. If so, you should leave the three columns provided for additional funds blank.

The beginning balance of each fund, plus the total receipts, less total disbursements should equal your ending balance. Total receipts for each fund should equal the total receipts shown on page 2. Total disbursements for each fund should equal the total disbursements shown on page 3.

This financial report should provide data for your most current fiscal year.

3. Receipts (page 2)

- a. **Property Tax** – Include real, personal and other property tax, but do not include any tax revenues, which you collect as agent for another governmental entity.
- b. **Sales Tax** – Include any and all sales taxes by fund and type. Municipalities in St. Louis County should report their share of the county sales tax.
- c. **Franchise Tax – (Public Utilities Tax)** Include monies received **from** utility companies.
- d. **Intergovernmental Receipts** – Include monies received from state, federal and local governments (e.g., County Aid Road Trust Money, federal grants).
- e. **Charges for Services** – Include fees and permits received.
- f. **Utility Receipts** – Include monies received from taxpayers **for** utility sales, (e.g., electric, sewer, water).
- g. **Interest earned** – Interest earned from investments.
- h. **Other Receipts and Transfers** – Include fines and any other receipts that your political subdivision receives that would not be included in the above categories. Include any monies transferred from another fund.

Note – If necessary, add or delete receipt titles to more closely reflect the political subdivisions financial activity

4. Disbursements (page 3) Disbursements should be broken down by function and/or object. Governments having multiple functions (such as police, fire, etc.) or objects (salaries, supplies, etc.) should provide both (if available) and the totals of both should agree.

- a. By Function** – List amounts on the line pertaining to the category or write in a category on one of the blank lines. Include any monies transferred to another fund.
- b. By Object** – List amounts on the line pertaining to the category or write in a category on one of the blank lines. Include any monies transferred to another fund.

5. Statement of Indebtedness (page 4) – This section requests information on debt issued by your political subdivision. Debt outstanding at the beginning of the fiscal year, plus debt issued less debt retired should equal the debt outstanding at the end of the fiscal year. All types of debt (e.g., general obligation bonds, revenue bonds, leases, notes) should be reported here.

6. Statement of Assessed Valuation and Tax Rates (page 4) – The assessed valuation information will be available from your county. The tax rate information will pertain to the tax rate set for the current fiscal year.

If you have any questions regarding the completion of this form, please feel free to call Judy Buerky at the Missouri State Auditor's Office, telephone 573-751-4213.

Real Estate and Building Inventory

Tract #1 - Location: _____

Legal description, Including: _____ Section _____ Township _____ Range

Land value _____
Structure value _____
Total value - Tract #1 _____

Tract #2 - Location: _____

Legal description, Including: _____ Section _____ Township _____ Range

Land value _____
Structure value _____
Total value - Tract #2 _____

Grand total real estate and building value equals (This page) \$ _____

Grand total equipment value equals (Page #1) \$ _____

Grand total of real estate and equipment value equals \$ _____

Signature of Township Official

Date

Outstanding Indebtedness

December 31, _____

Unpaid accounts itemized

Account number _____

To whom owed _____

Lease/Loan _____

Item _____

Interest rate _____

Term of debt _____

Unpaid balance _____

Account number _____

To whom owed _____

Lease/Loan _____

Item _____

Interest rate _____

Term of debt _____

Unpaid balance _____

Number of miles maintained by township

Number of miles gravel / chat roadways maintained by township: _____

Number of miles hard surface roadways maintained by township: _____

Total mileage: _____

Number of low water crossings and bridges maintained by township

Number of low water crossings maintained by township: _____

Number of bridge structures maintained by township under 20 feet or less: _____

Number of bridge structures maintained by township over 20 feet: _____

Number of culverts maintained by township: _____

Telephone Bid Form

Date: _____ Time: _____

Calling for township: _____

Speaking for vendor: _____

Vendor firm name: _____

Address: _____

City, State: _____

Specifications on item sought:

Price quoted:

Additional information, charges, delivery details, etc.:

*When all information has been entered,
seal in an envelope as if a written bid had been submitted.*

