

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2400
101ST GENERAL ASSEMBLY

5038S.04T

2022

AN ACT

To repeal sections 130.029, 135.110, 135.155, 135.800, 135.802, 135.805, 135.810, 135.815, 135.825, 143.081, 143.119, 144.010, 144.011, 208.798, 285.730, 313.800, 313.805, 620.515, 620.800, 620.803, 620.806, 620.809, 620.1039, 620.1620, and 620.2020, RSMo, and to enact in lieu thereof twenty-nine new sections relating to business entities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

EXPLANATION — Matter enclosed in bold-faced brackets **[this]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

620.850. 1. This section shall be known and may be cited as the "Citizen's Land
2 Development Cooperative Act".

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

4 (1) "Commission", the citizen's land development cooperative commission
5 established in subsection 3 of this section;

6 (2) "Citizen's land development cooperative", a for-profit, citizen-owned,
7 professionally managed real estate planning and development corporation or land
8 cooperative that may:

9 (a) Receive title to land, natural resources, physical infrastructure, or facilities
10 donated by a not-for-profit organization or government entity;

11 (b) Borrow money on behalf of its shareholders to purchase land, plan its use,
12 and develop the land and natural resources for productive and ecologically suitable
13 purposes; and

14 (c) Enable each citizen whose principal residence is situated in a local or regional
15 area for which future development will be controlled by a citizen's land development
16 cooperative to acquire, free as a right of citizenship, an equal, lifetime, non-transferable,
17 private property ownership stake in local land use and infrastructure development,
18 share profits from land rentals, natural resource use or extraction revenues, and
19 infrastructure user fees, and have a voice as an owner in the governance of future land
20 development in the community;

21 (3) "Department", the Missouri department of economic development.

22 3. (1) There is hereby established within the department the citizen's land
23 development cooperative commission.

24 (2) The commission shall consist of eleven members to be appointed by the
25 governor, with the advice and consent of the senate, one of whom shall be designated as
26 chair of the commission at the time of appointment.

27 (3) Of the members initially appointed, three members shall serve a term of one
28 year, three members shall serve a term of two years, three members shall serve a term of

29 three years, and two members, one of whom shall be the chair, shall serve a term of four
30 years. Thereafter, all terms shall be for four years.

31 4. (1) The commission may begin to conduct business upon the appointment of a
32 majority of the voting members, including the chair. The commission may adopt
33 bylaws, and may establish committees and officers as it deems necessary.

34 (2) A majority of members of the commission shall constitute a quorum, and
35 meetings of the commission shall be subject to the provisions of chapter 610. The
36 commission shall afford an opportunity for public comment at each public meeting.

37 (3) All members of the commission shall serve without compensation for such
38 service, but shall be reimbursed for all necessary and actual expenses incurred by them
39 in the performance of their official duties.

40 (4) Subject to appropriation, the department shall provide staff and
41 administrative support services to the commission.

42 5. The commission shall gather information and make annual reports of
43 recommendations to the governor and to the general assembly regarding the
44 establishment and operation of citizen's land development cooperatives. The reports
45 shall include recommendations concerning, without limitation:

46 (1) The establishment of policies regarding citizen's land development
47 cooperatives;

48 (2) The approval of citizen's land development cooperatives throughout the
49 state;

50 (3) The establishment of guidelines for citizens of localities to petition for local
51 referenda to create citizen's land development cooperatives and to determine the
52 participation plan for allocation, shareholder governance, and ownership rights, the
53 issuance and cancellation of shares of citizen's land development cooperatives, and the
54 disposition of assets in the event of the dissolution of a citizen's land development
55 cooperative;

56 (4) The establishment of tax reforms that encourage the use and effectiveness of
57 citizen's land development cooperatives through the exemption from all state and local
58 taxes on the holdings of land, natural resources, improvements, other tangible and
59 intangible assets, undistributed capital gains, and undistributed profits, provided that at
60 least ninety percent of the annual profits are distributed as taxable dividends, other
61 forms of taxable distributions to its shareholders and workers, and debt service
62 payments on its loans;

63 (5) The rendering of assistance to localities on problems, concerns, and issues
64 related to the development of citizen's land development cooperatives;

65 **(6) The undertaking of studies and gathering information and data to**
66 **accomplish the purposes as set forth in this section and to formulate and present**
67 **recommendations to the governor and the general assembly;**

68 **(7) Applying for, accepting, and expending gifts, grants, loans, or donations from**
69 **public, quasi-public, or private sources, including any matching funds as may be**
70 **designated in an appropriation to the department, to enable the commission to carry out**
71 **its purpose; and**

72 **(8) Accounting annually on its fiscal activities, including any matching funds**
73 **received or expended by the commission.**

74 **6. (1) Subject to appropriation, the department shall develop and maintain a**
75 **program to make grants to communities seeking to establish citizen's land development**
76 **cooperatives and encourage them to become self-sustaining from land rentals and other**
77 **fees within the first five years of their formation. The procedures for grant application**
78 **shall be established by the department by rule.**

79 **(2) The commission shall seek funding from local, state, federal, and private**
80 **sources to make grants and loans and otherwise enhance the development of citizen's**
81 **land development cooperatives. The department shall advise the commission of all**
82 **available sources of funding for economic development that it is aware of and shall assist**
83 **the commission and citizen's land development cooperatives in securing such funding.**

84 **(3) Funds received pursuant to this section shall be deposited into the citizen's**
85 **land development cooperative fund, which is hereby created in the state treasury. The**
86 **state treasurer shall be custodian of the fund. In accordance with sections 30.170 and**
87 **30.180, the state treasurer may approve disbursements. Notwithstanding the provisions**
88 **of section 33.080 to the contrary, any moneys remaining in the fund at the end of the**
89 **biennium shall not revert to the credit of the general revenue fund. The state treasurer**
90 **shall invest moneys in the fund in the same manner as other funds are invested. Any**
91 **interest and moneys earned on such investments shall be credited to the fund. Moneys**
92 **in the fund shall be expended solely for the purposes of this section.**

93 **7. The department shall establish rules to implement the provisions of this**
94 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
95 **created under the authority delegated in this section shall become effective only if it**
96 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
97 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
98 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
99 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
100 **then the grant of rulemaking authority and any rule proposed or adopted after August**
101 **28, 2022, shall be invalid and void.**