

Missouri Transportation Development Districts

The Missouri Transportation Development District (TDD) Act for State Highway System Projects, requires the formation of a development district be initiated by petitioning the circuit court, as described below. If the TDD petitioners are interested in applying for any of the other MoDOT Innovative Finance programs, they should submit a MoDOT Partnership Development application. If the application requests MoDOT funding, the application will follow the appropriate partnership program review process. Qualified district voter approval must be obtained prior to entering into a financing agreement with the Missouri Highways and Transportation Commission (Commission).

After the circuit court declares the TDD formed, the MoDOT Chief Counsel's Office will forward a copy of a cooperative agreement to the transportation district. The TDD, in the interim, elects its board members and officers. The TDD must execute the cooperative agreement, between the Commission and the TDD, before the Commission will approve the project and appoint a Commission representative to the TDD board. Pursuant to the TDD Act, prior to project construction and imposition of any tax the Commission must grant approval of the project.

Below is an abbreviation of the information contained within the Missouri TDD Act. For full details on TDDs, refer to Section 238.200 – 275, RSMo. *For purposes of the Act, "qualified district voters" means if any persons eligible to be registered voters reside within the proposed district, such persons who have registered to vote, or if no persons eligible to be registered voters reside within the proposed district, the owners of real property located within the proposed district.*

Purpose and Powers of a TDD

TDDs can do the following:

- Fund, promote, plan, design, construct, improve, maintain and operate one or more projects or assist in doing so and is a political subdivision of the state.
- Work with projects that include bridges, streets, roads, highways, access roads, interchanges, intersections, signing, signalization, parking lots, bus stops, stations, garages, terminals, hangars, shelters, rest areas, docks, wharfs, lake or river ports, airports, railroads, light rail, other mass transit and any similar or related improvement of infrastructure.
- Form a board of directors who will possess and exercise all of the district's legislative and executive powers, after qualified district voter approval.
- Contract with the Missouri Highways and Transportation Commission (MHTC) or the local transportation authority to receive revenue from the district to apply to project costs.

- Increase or decrease the number of projects it is authorized to complete, subject to voter approval, or modify a project subject to MHTC or local transportation authority approval.
- Levy special assessments, after qualified district voter approval.
- Impose a property tax of 10 cents/\$100 assessed valuation, after district voter approval.
- Impose a sales tax not to exceed one percent (1%), after qualified district voter approval.
- Collect tolls or fees on appropriate highways and roads, following qualified district voter approval.
- Incur contract and liabilities appropriate to its purpose.
- Purchase land or receive contribution of land and cash for project right-of-way.
- Limit and control access from adjacent property to a district project.
- Sell and convey excess right-of-way for fair market value to any person or entity.
- Contract with a federal agency, state agency, political subdivisions of the state, MHTC, a local transportation authority, a corporation, partnership or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining or operating a project.
- Contract with MHTC or a local transportation authority to transfer the project to them free of cost.
- Sue and be sued in its name, and receive service of process.
- Fix compensation of its employees and contractors, with competitive bidding practices for contracts in excess of \$5,000, and award contracts based on lowest and best.
- Purchase property necessary or convenient for its activities, with competitive bidding practices for purchases in excess of \$1,000, and award purchases based on lowest and best.
- Collect and disburse funds for its activities.
- Condemn land for a project, upon prior approval by MHTC or the local transportation authority, per chapter 523, RSMo.
- Obtain insurance, the cost of which will be charged to the project, to protect itself, its officers and its employees, against loss of real or personal property of any kind.
- Require contractors to obtain liability insurance, also naming the district, its directors and employees as insured.

- Self-insure if economically unfeasible to purchase insurance or if it has sufficient funds to cover anticipated judgments.
- Pay for costs of an audit by the state auditor, occurring no less than once every three years.
- Exercise other powers necessary or convenient for the district to accomplish its purposes.