

Bond Case Briefs

Municipal Finance Law Since 1971

COMMUNITY IMPROVEMENT DISTRICT ASSESSMENTS - MISSOURI

Real Estate Recovery, LLC v. Branson Hills Facility Infrastructure Community Improvement District

Missouri Court of Appeals, Southern District, Division One - October 14, 2020 - S.W.3d - 2020 WL 6054606

Purchaser of land parcels at post-third-offering sale filed petition against community improvement district (CID) and others to quiet title to parcels. After purchaser failed to pay additional assessments levied by CID upon parcels, purchaser and CID filed cross-motions for summary judgment.

The Circuit Court initially denied motions, but upon parties' joint request for reconsideration, granted summary judgment in favor of CID. Purchaser appealed.

The Court of Appeals held that:

- Amendment to Community Improvement District Act (CID Act) governing special assessments was change in procedural law that could apply retrospectively, and
- As a matter of first impression, purchase of parcels did not remove parcels from CID's authority to levy assessments.

Amendment to section of Community Improvement District Act (CID Act) governing special assessments was change in procedural rather than substantive law, and, thus, retrospective application of amendment did not violate constitutional prohibition on retrospective laws, where amendment merely dealt with mechanism and machinery by which delinquent CID assessments could be collected.

Provision of Jones-Munger Act stating that purchasers of property at post-third offering tax sales would receive collector's deeds with "priority over all liens and encumbrances on the property sold except for real property taxes" did not mean that parcels bought by purchaser were no longer subject to community improvement district (CID) assessments; language of Community Improvement District Act (CID Act), which provided authority for sale at issue, indicated legislature did not intend to remove property from CID's power and authority to levy and impose assessments when sold via Jones-Munger Act, and interpreting term "real property taxes" to exclude CID assessments would upend entire statutory framework for CID assessments, CID initiative financing, and removal of property from CIDs.