



# Transportation Development Districts and Their Problems

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By: Maurice Harris

In the *St. Louis Post-Dispatch*, an [article](#) discusses a state audit that shows Transportation Development Districts (TDDs) are taking money without knowing where it is spent. TDDs are created to raise money, by means of a special sales tax, to fix roadways and other traffic needs in areas where new developments are being built. It sounds harmless enough, but the public is often kept in the dark on TDD operations:

The audits say taxes are raised without a public vote and little government oversight. Montee said the previous audit recommended various changes in the law to improve the process, but that legislators have done little to address the concerns.

TDDs and their governing boards are created by court order, sometimes instigated by the petitions of developers. From there, the tax rate is approved by the board. Limited input from the public, or from officials outside the TDD process, has led to a lack of oversight on how the money is spent, and the actual amount of the tax:

She [Montee] found a variety of problems, such as competitive bids for the work

not being done properly or at all; districts charging a higher sales tax rate than authorized; and a lack of documentation proving the right amount was paid to reimburse developers for their costs. In one instance, the developer's costs were counted twice.

This audit follows up on one conducted by the auditor's office on TDDs last year. Hopefully, these findings will spur changes in the law that increase accountability. Most importantly, there should be public input to make sure taxpayers are aware of the tax rates that affect them.

## About the Author



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[2] <http://www.stltoday.com/stltoday/news/stories.nsf/missouristatenews/story/118A9C303D3FFEF68625731E000F3B56?OpenDocument>

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