

SECOND REGULAR SESSION

# HOUSE BILL NO. 2118

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DAVIS.

5882H.011

D. ADAM CRUMBLISS, Chief Clerk

## AN ACT

To repeal section 94.902, RSMo, and to enact in lieu thereof one new section relating to local sales taxes.

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

Section A. Section 94.902, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 94.902, to read as follows:

94.902. 1. ~~[The governing bodies of the following cities may impose a tax as provided in this section:~~

~~—— (1) Any city of the third classification with more than twenty-six thousand three hundred but less than twenty-six thousand seven hundred inhabitants;~~

~~—— (2) Any city of the fourth classification with more than thirty thousand three hundred but fewer than thirty thousand seven hundred inhabitants;~~

~~—— (3) Any city of the fourth classification with more than twenty-four thousand eight hundred but fewer than twenty-five thousand inhabitants;~~

~~—— (4) Any special charter city with more than twenty-nine thousand but fewer than thirty-two thousand inhabitants;~~

~~—— (5) Any city of the third classification with more than four thousand but fewer than four thousand five hundred inhabitants and located in any county of the first classification with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants;~~

~~—— (6) Any city of the fourth classification with more than nine thousand five hundred but fewer than ten thousand eight hundred inhabitants; or~~

~~—— (7) Any city of the fourth classification with more than five hundred eighty but fewer than six hundred fifty inhabitants.~~

EXPLANATION — Matter enclosed in bold-faced brackets [thus] 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.

18 ~~2.]~~ The governing body of any city [~~listed in subsection 1 of this section~~] may impose,  
19 by order or ordinance, a sales tax on all retail sales made in the city which are subject to taxation  
20 under chapter 144. The tax authorized in this section may be imposed in an amount of up to  
21 one-half of one percent, and shall be imposed solely for the purpose of improving the public  
22 safety for such city, including but not limited to expenditures on equipment, city **public safety**  
23 employee salaries and benefits, and facilities for police, fire and emergency medical providers.  
24 The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and  
25 shall be stated separately from all other charges and taxes. The order or ordinance imposing a  
26 sales tax under this section shall not become effective unless the governing body of the city  
27 submits to the voters residing within the city, at a county or state general, primary, or special  
28 election, a proposal to authorize the governing body of the city to impose a tax under this section.

29 [3] 2. The ballot of submission for the tax authorized in this section shall be in  
30 substantially the following form:

31 Shall the city of \_\_\_\_\_ (city's name) impose a citywide sales tax at a rate of \_\_\_\_\_  
32 (insert rate of percent) percent for the purpose of improving the public safety of the city?

33  YES  NO

34 If you are in favor of the question, place an "X" in the box opposite "YES". If you are  
35 opposed to the question, place an "X" in the box opposite "NO".

36

37 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor  
38 of the proposal, then the ordinance or order and any amendments to the order or ordinance shall  
39 become effective on the first day of the second calendar quarter after the director of revenue  
40 receives notice of the adoption of the sales tax. If a majority of the votes cast on the proposal  
41 by the qualified voters voting thereon are opposed to the proposal, then the tax shall not become  
42 effective unless the proposal is resubmitted under this section to the qualified voters and such  
43 proposal is approved by a majority of the qualified voters voting on the proposal. However, in  
44 no event shall a proposal under this section be submitted to the voters sooner than twelve months  
45 from the date of the last proposal under this section.

46 [4] 3. Any sales tax imposed under this section shall be administered, collected,  
47 enforced, and operated as required in section 32.087. All sales taxes collected by the director  
48 of the department of revenue under this section on behalf of any city, less one percent for cost  
49 of collection which shall be deposited in the state's general revenue fund after payment of  
50 premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust  
51 fund, which is hereby created in the state treasury, to be known as the "City Public Safety Sales  
52 Tax Trust Fund". The moneys in the trust fund shall not be deemed to be state funds and shall  
53 not be commingled with any funds of the state. The provisions of section 33.080 to the contrary

54 notwithstanding, money in this fund shall not be transferred and placed to the credit of the  
55 general revenue fund. The director shall keep accurate records of the amount of money in the  
56 trust fund and which was collected in each city imposing a sales tax under this section, and the  
57 records shall be open to the inspection of officers of the city and the public. Not later than the  
58 tenth day of each month the director shall distribute all moneys deposited in the trust fund during  
59 the preceding month to the city which levied the tax. Such funds shall be deposited with the city  
60 treasurer of each such city, and all expenditures of funds arising from the trust fund shall be by  
61 an appropriation act to be enacted by the governing body of each such city. Expenditures may  
62 be made from the fund for any functions authorized in the ordinance or order adopted by the  
63 governing body submitting the tax to the voters. If the tax is repealed, all funds remaining in the  
64 special trust fund shall continue to be used solely for the designated purposes. Any funds in the  
65 special trust fund which are not needed for current expenditures shall be invested in the same  
66 manner as other funds are invested. Any interest and moneys earned on such investments shall  
67 be credited to the fund.

68 ~~[5]~~ 4. The director of the department of revenue may authorize the state treasurer to make  
69 refunds from the amounts in the trust fund and credited to any city for erroneous payments and  
70 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of  
71 such cities. If any city abolishes the tax, the city shall notify the director of the action at least  
72 ninety days before the effective date of the repeal, and the director may order retention in the  
73 trust fund, for a period of one year, of two percent of the amount collected after receipt of such  
74 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and  
75 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date  
76 of abolition of the tax in such city, the director shall remit the balance in the account to the city  
77 and close the account of that city. The director shall notify each city of each instance of any  
78 amount refunded or any check redeemed from receipts due the city.

79 ~~[6]~~ 5. The governing body of any city that has adopted the sales tax authorized in this  
80 section may submit the question of repeal of the tax to the voters on any date available for  
81 elections for the city. The ballot of submission shall be in substantially the following form:

82 Shall \_\_\_\_\_ (insert the name of the city) repeal the sales tax imposed at a rate of \_\_\_\_\_  
83 (insert rate of percent) percent for the purpose of improving the public safety of the city?

84  YES  NO

85

86 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become  
87 effective on December thirty-first of the calendar year in which such repeal was approved. If a  
88 majority of the votes cast on the question by the qualified voters voting thereon are opposed to  
89 the repeal, then the sales tax authorized in this section shall remain effective until the question

90 is resubmitted under this section to the qualified voters, and the repeal is approved by a majority  
91 of the qualified voters voting on the question.

92 ~~[7. Whenever the governing body of any city that has adopted the sales tax authorized~~  
93 ~~in this section receives a petition, signed by ten percent of the registered voters of the city voting~~  
94 ~~in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this~~  
95 ~~section, the governing body shall submit to the voters of the city a proposal to repeal the tax. If~~  
96 ~~a majority of the votes cast on the question by the qualified voters voting thereon are in favor of~~  
97 ~~the repeal, that repeal shall become effective on December thirty-first of the calendar year in~~  
98 ~~which such repeal was approved. If a majority of the votes cast on the question by the qualified~~  
99 ~~voters voting thereon are opposed to the repeal, then the tax shall remain effective until the~~  
100 ~~question is resubmitted under this section to the qualified voters and the repeal is approved by~~  
101 ~~a majority of the qualified voters voting on the question.~~

102 ~~——— 8. Any sales tax imposed under this section by a city described under subdivision (6) of~~  
103 ~~subsection 1 of this section that is in effect as of December 31, 2038, shall automatically expire.~~  
104 ~~No city described under subdivision (6) of subsection 1 of this section shall collect a sales tax~~  
105 ~~pursuant to this section on or after January 1, 2039. Subsection 7 of this section shall not apply~~  
106 ~~to a sales tax imposed under this section by a city described under subdivision (6) of subsection~~  
107 ~~1 of this section.~~

108 ~~——— 9] 6. Except as modified in this section, all provisions of sections 32.085 and 32.087~~  
109 ~~shall apply to the tax imposed under this section.~~

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