

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 532

100TH GENERAL ASSEMBLY

1333H.02P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 94.510, 94.900, and 94.902, RSMo, and to enact in lieu thereof three new sections relating to a local sales tax, with an emergency clause for a certain section.

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

Section A. Sections 94.510, 94.900, and 94.902, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 94.510, 94.900, and 94.902, to read as follows:

94.510. 1. Any city may, by a majority vote of its council or governing body, impose a city sales tax for the benefit of such city in accordance with the provisions of sections 94.500 to 94.550; provided, however, that no ordinance enacted pursuant to the authority granted by the provisions of sections 94.500 to 94.550 shall be effective unless the legislative body of the city submits to the voters of the city, at a public election, a proposal to authorize the legislative body of the city to impose a tax under the provisions of sections 94.500 to 94.550. The ballot of submission shall be in substantially the following form:

Shall the city of _____ (insert name of city) impose a city sales tax of _____ (insert rate of percent) percent?

YES NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the legislative body of the city shall have no power to impose the tax herein authorized unless and until the legislative body of the city shall again have submitted another proposal to authorize the

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.

16 legislative body of the city to impose the tax under the provisions of sections 94.500 to 94.550,
17 and such proposal is approved by a majority of the qualified voters voting thereon.

18 2. The sales tax may be imposed at a rate [~~of one-half of one percent, seven-eighths of~~
19 ~~one percent or~~] **not to exceed** one percent on the receipts from the sale at retail of all tangible
20 personal property or taxable services at retail within any city adopting such tax, if such property
21 and services are subject to taxation by the state of Missouri under the provisions of sections
22 144.010 to 144.525; except that, each city not within a county may impose such tax at a rate not
23 to exceed one and three-eighths percent. Beginning August 28, 2017, no city shall submit to the
24 voters any proposal that results in a combined rate of sales taxes adopted under this section in
25 excess of two percent.

26 3. If any city in which a city tax has been imposed in the manner provided for in sections
27 94.500 to 94.550 shall thereafter change or alter its boundaries, the city clerk of the city shall
28 forward to the director of revenue by United States registered mail or certified mail a certified
29 copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the
30 effective date thereof, and shall be accompanied by a map of the city clearly showing the territory
31 added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed
32 by the act shall be effective in the added territory or abolished in the detached territory on the
33 effective date of the change of the city boundary.

34 4. If any city abolishes the tax authorized under this section, the repeal of such tax shall
35 become effective December thirty-first of the calendar year in which such abolishment was
36 approved. Each city shall notify the director of revenue at least ninety days prior to the effective
37 date of the expiration of the sales tax authorized by this section and the director of revenue may
38 order retention in the trust fund, for a period of one year, of two percent of the amount collected
39 after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem
40 dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed
41 after the date of expiration of the tax authorized by this section in such city, the director of
42 revenue shall remit the balance in the account to the city and close the account of that city. The
43 director of revenue shall notify each city of each instance of any amount refunded or any check
44 redeemed from receipts due the city.

94.900. 1. (1) The governing body of the following cities may impose a tax as provided
2 in this section:

3 (a) Any city of the third classification with more than ten thousand eight hundred but less
4 than ten thousand nine hundred inhabitants located at least partly within a county of the first
5 classification with more than one hundred eighty-four thousand but less than one hundred
6 eighty-eight thousand inhabitants;

7 (b) Any city of the fourth classification with more than four thousand five hundred but
8 fewer than five thousand inhabitants;

9 (c) Any city of the fourth classification with more than eight thousand nine hundred but
10 fewer than nine thousand inhabitants;

11 (d) Any home rule city with more than forty-eight thousand but fewer than forty-nine
12 thousand inhabitants;

13 (e) Any home rule city with more than seventy-three thousand but fewer than
14 seventy-five thousand inhabitants;

15 (f) Any city of the fourth classification with more than thirteen thousand five hundred
16 but fewer than sixteen thousand inhabitants;

17 (g) Any city of the fourth classification with more than seven thousand but fewer than
18 eight thousand inhabitants;

19 (h) Any city of the fourth classification with more than four thousand but fewer than four
20 thousand five hundred inhabitants and located in any county of the first classification with more
21 than one hundred fifty thousand but fewer than two hundred thousand inhabitants; ~~[or]~~

22 (i) Any city of the third classification with more than thirteen thousand but fewer than
23 fifteen thousand inhabitants and located in any county of the third classification without a
24 township form of government and with more than thirty-three thousand but fewer than
25 thirty-seven thousand inhabitants; **or**

26 **(j) Any city of the fourth classification with more than three thousand but fewer**
27 **than three thousand three hundred inhabitants and located in any county of the third**
28 **classification without a township form of government and with more than eighteen**
29 **thousand but fewer than twenty thousand inhabitants and that is not the county seat of**
30 **such county.**

31 (2) The governing body of any city listed in subdivision (1) of this subsection is hereby
32 authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half of one
33 percent on all retail sales made in such city which are subject to taxation under the provisions
34 of sections 144.010 to 144.525 for the purpose of improving the public safety for such city,
35 including but not limited to expenditures on equipment, city employee salaries and benefits, and
36 facilities for police, fire and emergency medical providers. The tax authorized by this section
37 shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or
38 order imposing a sales tax pursuant to the provisions of this section shall be effective unless the
39 governing body of the city submits to the voters of the city, at a county or state general, primary
40 or special election, a proposal to authorize the governing body of the city to impose a tax.

77 collected in each city imposing a sales tax pursuant to this section, and the records shall be open
78 to the inspection of officers of the city and the public. Not later than the tenth day of each month
79 the director of the department of revenue shall distribute all moneys deposited in the trust fund
80 during the preceding month to the city which levied the tax; such funds shall be deposited with
81 the city treasurer of each such city, and all expenditures of funds arising from the trust fund shall
82 be by an appropriation act to be enacted by the governing body of each such city. Expenditures
83 may be made from the fund for any functions authorized in the ordinance or order adopted by
84 the governing body submitting the tax to the voters.

85 6. The director of the department of revenue may make refunds from the amounts in the
86 trust fund and credited to any city for erroneous payments and overpayments made, and may
87 redeem dishonored checks and drafts deposited to the credit of such cities. If any city abolishes
88 the tax, the city shall notify the director of the department of revenue of the action at least ninety
89 days prior to the effective date of the repeal and the director of the department of revenue may
90 order retention in the trust fund, for a period of one year, of two percent of the amount collected
91 after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem
92 dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed
93 after the effective date of abolition of the tax in such city, the director of the department of
94 revenue shall remit the balance in the account to the city and close the account of that city. The
95 director of the department of revenue shall notify each city of each instance of any amount
96 refunded or any check redeemed from receipts due the city.

97 7. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall
98 apply to the tax imposed pursuant to this section.

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

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

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

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

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

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

14 (6) Any city of the fourth classification with more than nine thousand five hundred but
15 fewer than ten thousand eight hundred inhabitants; [e]

16 (7) Any city of the fourth classification with more than five hundred eighty but fewer than
17 six hundred fifty inhabitants;

18 **(8) Any city of the fourth classification with more than two thousand seven**
19 **hundred but fewer than three thousand inhabitants and located in any county of the first**
20 **classification with more than eighty-three thousand but fewer than ninety-two thousand**
21 **inhabitants; or**

22 **(9) Any city of the fourth classification with more than two thousand four hundred**
23 **but fewer than two thousand seven hundred inhabitants and located in any county of the**
24 **third classification without a township form of government and with more than ten**
25 **thousand but fewer than twelve thousand inhabitants.**

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

37 3. The ballot of submission for the tax authorized in this section shall be in substantially
38 the following form:

39 Shall the city of _____ (city's name) impose a citywide sales tax at a rate of
40 _____ (insert rate of percent) percent for the purpose of improving the public
41 safety of the city?

42 YES NO

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

45 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
46 of the proposal, then the ordinance or order and any amendments to the order or ordinance shall
47 become effective on the first day of the second calendar quarter after the director of revenue
48 receives notice of the adoption of the sales tax. If a majority of the votes cast on the proposal
49 by the qualified voters voting thereon are opposed to the proposal, then the tax shall not become

50 effective unless the proposal is resubmitted under this section to the qualified voters and such
51 proposal is approved by a majority of the qualified voters voting on the proposal. However, in
52 no event shall a proposal under this section be submitted to the voters sooner than twelve months
53 from the date of the last proposal under this section.

54 4. Any sales tax imposed under this section shall be administered, collected, enforced,
55 and operated as required in section 32.087. All sales taxes collected by the director of the
56 department of revenue under this section on behalf of any city, less one percent for cost of
57 collection which shall be deposited in the state's general revenue fund after payment of premiums
58 for surety bonds as provided in section 32.087, shall be deposited in a special trust fund, which
59 is hereby created in the state treasury, to be known as the "City Public Safety Sales Tax Trust
60 Fund". The moneys in the trust fund shall not be deemed to be state funds and shall not be
61 commingled with any funds of the state. The provisions of section 33.080 to the contrary
62 notwithstanding, money in this fund shall not be transferred and placed to the credit of the
63 general revenue fund. The director shall keep accurate records of the amount of money in the
64 trust fund and which was collected in each city imposing a sales tax under this section, and the
65 records shall be open to the inspection of officers of the city and the public. Not later than the
66 tenth day of each month the director shall distribute all moneys deposited in the trust fund during
67 the preceding month to the city which levied the tax. Such funds shall be deposited with the city
68 treasurer of each such city, and all expenditures of funds arising from the trust fund shall be by
69 an appropriation act to be enacted by the governing body of each such city. Expenditures may
70 be made from the fund for any functions authorized in the ordinance or order adopted by the
71 governing body submitting the tax to the voters. If the tax is repealed, all funds remaining in the
72 special trust fund shall continue to be used solely for the designated purposes. Any funds in the
73 special trust fund which are not needed for current expenditures shall be invested in the same
74 manner as other funds are invested. Any interest and moneys earned on such investments shall
75 be credited to the fund.

76 5. The director of the department of revenue may authorize the state treasurer to make
77 refunds from the amounts in the trust fund and credited to any city for erroneous payments and
78 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
79 such cities. If any city abolishes the tax, the city shall notify the director of the action at least
80 ninety days before the effective date of the repeal, and the director may order retention in the
81 trust fund, for a period of one year, of two percent of the amount collected after receipt of such
82 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and
83 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date
84 of abolition of the tax in such city, the director shall remit the balance in the account to the city

85 and close the account of that city. The director shall notify each city of each instance of any
86 amount refunded or any check redeemed from receipts due the city.

87 6. The governing body of any city that has adopted the sales tax authorized in this section
88 may submit the question of repeal of the tax to the voters on any date available for elections for
89 the city. The ballot of submission shall be in substantially the following form:

90 Shall _____ (insert the name of the city) repeal the sales tax imposed at a rate
91 of _____ (insert rate of percent) percent for the purpose of improving the public
92 safety of the city?

93 YES NO

94 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become
95 effective on December thirty-first of the calendar year in which such repeal was approved. If a
96 majority of the votes cast on the question by the qualified voters voting thereon are opposed to
97 the repeal, then the sales tax authorized in this section shall remain effective until the question
98 is resubmitted under this section to the qualified voters, and the repeal is approved by a majority
99 of the qualified voters voting on the question.

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

110 8. Any sales tax imposed under this section by a city described under subdivision (6) of
111 subsection 1 of this section that is in effect as of December 31, 2038, shall automatically expire.
112 No city described under subdivision (6) of subsection 1 of this section shall collect a sales tax
113 pursuant to this section on or after January 1, 2039. Subsection 7 of this section shall not apply
114 to a sales tax imposed under this section by a city described under subdivision (6) of subsection
115 1 of this section.

116 9. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall
117 apply to the tax imposed under this section.

Section B. Because of the importance of providing funding for public safety, the repeal
2 and reenactment of section 94.900 of this act is deemed necessary for the immediate preservation
3 of the public health, welfare, peace, and safety and is hereby declared to be an emergency act

4 within the meaning of the constitution, and the repeal and reenactment of section 94.900 of this
5 act shall be in full force and effect upon its passage and approval.

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