

FIRST REGULAR SESSION

# HOUSE BILL NO. 641

102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MCGIRL.

1692H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal sections 321.242 and 321.552, RSMo, and to enact in lieu thereof two new sections relating to a sales tax for emergency services.

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

Section A. Sections 321.242 and 321.552, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 321.242 and 321.552, to read as follows:

321.242. 1. The governing body of any fire protection district which operates within  
2 and has boundaries identical to a city with a population of at least thirty thousand but not  
3 more than thirty-five thousand inhabitants which is located in a county of the first  
4 classification, excluding a county of the first classification having a population in excess of  
5 nine hundred thousand, or the governing body of any municipality having a municipal fire  
6 department **or contracting for fire protection services** may impose a sales tax in an amount  
7 of up to one-half of one percent on all retail sales made in such fire protection district or  
8 municipality which are subject to taxation pursuant to the provisions of sections 144.010 to  
9 144.525. The tax authorized by this section shall be in addition to any and all other sales  
10 taxes allowed by law, except that no sales tax imposed pursuant to the provisions of this  
11 section shall be effective unless the governing body of the fire protection district or  
12 municipality submits to the voters of such fire protection district or municipality, at a county  
13 or state general, primary or special election, a proposal to authorize the governing body of the  
14 fire protection district or municipality to impose a tax.

15 2. The ballot of submission shall contain, but need not be limited to, the following  
16 language:

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.

17 Shall \_\_\_\_\_ (insert name of district or municipality) impose a sales  
18 tax of \_\_\_\_\_ (insert rate of tax) for the purpose of providing revenues  
19 for the operation of the \_\_\_\_\_ (insert fire protection district [or],  
20 municipal fire department, **or municipal contract for fire protection**  
21 **services**)?

22  Yes  No

23

24 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in  
25 favor of the proposal, then the sales tax authorized in this section shall be in effect. If a  
26 majority of the votes cast by the qualified voters voting are opposed to the proposal, then the  
27 governing body of the fire protection district or municipality shall not impose the sales tax  
28 authorized in this section unless and until the governing body of such fire protection district  
29 or municipality resubmits a proposal to authorize the governing body of the fire protection  
30 district or municipality to impose the sales tax authorized by this section and such proposal is  
31 approved by a majority of the qualified voters voting thereon.

32 3. All revenue received by a fire protection district or municipality from the tax  
33 authorized pursuant to the provisions of this section shall be deposited in a special trust fund  
34 and shall be used solely for the operation of the fire protection district [or], the municipal fire  
35 department, **or the municipal contract for fire protection services**.

36 4. All sales taxes collected by the director of revenue pursuant to this section or  
37 section 321.246 on behalf of any fire protection district or municipality, less one percent for  
38 cost of collection which shall be deposited in the state's general revenue fund after payment of  
39 premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust  
40 fund, which is hereby created, to be known as the "Fire Protection Sales Tax Trust Fund".  
41 Any moneys in the fire protection district sales tax trust fund created prior to August 28,  
42 1999, shall be transferred to the fire protection sales tax trust fund. The moneys in the fire  
43 protection sales tax trust fund shall not be deemed to be state funds and shall not be  
44 commingled with any funds of the state. The director of revenue shall keep accurate records  
45 of the amount of money in the trust fund and of the amounts which were collected in each fire  
46 protection district or municipality imposing a sales tax pursuant to this section, and the  
47 records shall be open to the inspection of officers of the fire protection district or municipality  
48 and the public. Not later than the tenth day of each month, the director of revenue shall  
49 distribute all moneys deposited in the trust fund during the preceding month to the fire  
50 protection district or municipality which levied the tax. Such funds shall be deposited with  
51 the treasurer of each such fire protection district or municipality, and all expenditures of funds  
52 arising from the fire protection sales tax trust fund shall be for the operation of the fire

53 protection district ~~[or]~~, the municipal fire department, **or the municipal contract for fire**  
54 **protection services** and for no other purpose.

55         5. The director of revenue may make refunds from the amounts in the trust fund and  
56 credited to any fire protection district or municipality for erroneous payments and  
57 overpayments made and may redeem dishonored checks and drafts deposited to the credit  
58 of such fire protection districts or municipalities. If any fire protection district or  
59 municipality abolishes the tax, the fire protection district or municipality shall notify the  
60 director of revenue of the action at least ninety days prior to the effective date of the repeal  
61 and the director of revenue may order retention in the trust fund, for a period of one year, of  
62 two percent of the amount collected after receipt of such notice to cover possible refunds or  
63 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of  
64 such accounts. After one year has elapsed after the effective date of abolition of the tax in  
65 such fire protection district or municipality, the director of revenue shall remit the balance in  
66 the account to the fire protection district or municipality and close the account of that fire  
67 protection district or municipality. The director of revenue shall notify each fire protection  
68 district or municipality of each instance of any amount refunded or any check redeemed from  
69 receipts due the fire protection district or municipality. In the event a tax within a fire  
70 protection district is approved pursuant to this section, and such fire protection district is  
71 dissolved, if the boundaries of the fire protection district are identical to that of the city, the  
72 tax shall continue and proceeds shall be distributed to the governing body of the city formerly  
73 containing the fire protection district and the proceeds of the tax shall be used for fire  
74 protection services within such city.

75         6. Except as modified in this section, all provisions of sections 32.085 and 32.087  
76 shall apply to the tax imposed pursuant to this section.

321.552. 1. Except in any county of the first classification with over two hundred  
2 thousand inhabitants, or any county of the first classification without a charter form of  
3 government and with more than seventy-three thousand seven hundred but less than seventy-  
4 three thousand eight hundred inhabitants; or any county of the first classification without a  
5 charter form of government and with more than one hundred eighty-four thousand but less  
6 than one hundred eighty-eight thousand inhabitants; or any county with a charter form of  
7 government with over one million inhabitants; or any county with a charter form of  
8 government with over two hundred eighty thousand inhabitants but less than three hundred  
9 thousand inhabitants, the governing body of any ambulance or fire protection district may  
10 impose a sales tax in an amount up to ~~[one-half of]~~ one percent on all retail sales made in such  
11 ambulance or fire protection district which are subject to taxation pursuant to the provisions  
12 of sections 144.010 to 144.525 provided that such sales tax shall be accompanied by a  
13 reduction in the district's tax rate as defined in section 137.073. The tax authorized by this

14 section shall be in addition to any and all other sales taxes allowed by law, except that no sales  
15 tax imposed pursuant to the provisions of this section shall be effective unless the governing  
16 body of the ambulance or fire protection district submits to the voters of such ambulance or  
17 fire protection district, at a municipal or state general, primary or special election, a proposal  
18 to authorize the governing body of the ambulance or fire protection district to impose a tax  
19 pursuant to this section.

20 2. The ballot of submission shall contain, but need not be limited to, the following  
21 language:

22 Shall \_\_\_\_\_ (insert name of ambulance or fire protection district)  
23 impose a sales tax of \_\_\_\_\_ (insert amount up to ~~one-half~~ of one)  
24 percent for the purpose of providing revenues for the operation of the \_  
25 \_\_\_\_\_ (insert name of ambulance or fire protection district) and the  
26 total property tax levy on properties in the \_\_\_\_\_ (insert name of the  
27 ambulance or fire protection district) shall be reduced annually by an  
28 amount which reduces property tax revenues by an amount equal to  
29 fifty percent of the previous year's revenue collected from this sales  
30 tax?

31  Yes  No

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

35 3. If a majority of the votes cast on the proposal by the qualified voters voting thereon  
36 are in favor of the proposal, then the sales tax authorized in this section shall be in effect and  
37 the governing body of the ambulance or fire protection district shall lower the level of its tax  
38 rate by an amount which reduces property tax revenues by an amount equal to fifty percent of  
39 the amount of sales tax collected in the preceding year. If a majority of the votes cast by the  
40 qualified voters voting are opposed to the proposal, then the governing body of the ambulance  
41 or fire protection district shall not impose the sales tax authorized in this section unless and  
42 until the governing body of such ambulance or fire protection district resubmits a proposal to  
43 authorize the governing body of the ambulance or fire protection district to impose the sales  
44 tax authorized by this section and such proposal is approved by a majority of the qualified  
45 voters voting thereon.

46 4. All revenue received by a district from the tax authorized pursuant to this section  
47 shall be deposited in a special trust fund, and be used solely for the purposes specified in the  
48 proposal submitted pursuant to this section for so long as the tax shall remain in effect.

49 5. All sales taxes collected by the director of revenue pursuant to this section, less one  
50 percent for cost of collection which shall be deposited in the state's general revenue fund after

51 payment of premiums for surety bonds as provided in section 32.087, shall be deposited in a  
52 special trust fund, which is hereby created, to be known as the "Ambulance or Fire Protection  
53 District Sales Tax Trust Fund". The moneys in the ambulance or fire protection district sales  
54 tax trust fund shall not be deemed to be state funds and shall not be commingled with any  
55 funds of the state. The director of revenue shall keep accurate records of the amount of  
56 money in the trust and the amount collected in each district imposing a sales tax pursuant to  
57 this section, and the records shall be open to inspection by officers of the county and to the  
58 public. Not later than the tenth day of each month the director of revenue shall distribute all  
59 moneys deposited in the trust fund during the preceding month to the governing body of the  
60 district which levied the tax; such funds shall be deposited with the board treasurer of each  
61 such district.

62         6. The director of revenue may make refunds from the amounts in the trust fund and  
63 credit any district for erroneous payments and overpayments made, and may redeem  
64 dishonored checks and drafts deposited to the credit of such district. If any district abolishes  
65 the tax, the district shall notify the director of revenue of the action at least ninety days prior  
66 to the effective date of the repeal and the director of revenue may order retention in the trust  
67 fund, for a period of one year, of two percent of the amount collected after receipt of such  
68 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks  
69 and drafts deposited to the credit of such accounts. After one year has elapsed after the  
70 effective date of abolition of the tax in such district, the director of revenue shall remit the  
71 balance in the account to the district and close the account of that district. The director of  
72 revenue shall notify each district of each instance of any amount refunded or any check  
73 redeemed from receipts due the district.

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

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