

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE BILL NO. 21

100TH GENERAL ASSEMBLY

2019

0172S.01T

AN ACT

To repeal sections 94.510, 94.900, and 94.902, RSMo, and to enact in lieu thereof three new sections relating to local sales taxes, 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Section A. Sections 94.510, 94.900, and 94.902, RSMo, are repealed and
2 three new sections enacted in lieu thereof, to be known as sections 94.510,
3 94.900, and 94.902, to read as follows:

94.510. 1. Any city may, by a majority vote of its council or governing
2 body, impose a city sales tax for the benefit of such city in accordance with the
3 provisions of sections 94.500 to 94.550; provided, however, that no ordinance
4 enacted pursuant to the authority granted by the provisions of sections 94.500 to
5 94.550 shall be effective unless the legislative body of the city submits to the
6 voters of the city, at a public election, a proposal to authorize the legislative body
7 of the city to impose a tax under the provisions of sections 94.500 to 94.550. The
8 ballot of submission shall be in substantially the following form:

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

11 YES NO

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

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 legislative body of the city to impose the tax under the provisions of sections
19 94.500 to 94.550, and such proposal is approved by a majority of the qualified
20 voters voting thereon.

21 2. The sales tax may be imposed at a rate [of one-half of one percent,
22 seven-eighths of one percent or] **not to exceed** one percent on the receipts from
23 the sale at retail of all tangible personal property or taxable services at retail
24 within any city adopting such tax, if such property and services are subject to
25 taxation by the state of Missouri under the provisions of sections 144.010 to
26 144.525; except that, each city not within a county may impose such tax at a rate
27 not to exceed one and three-eighths percent. Beginning August 28, 2017, no city
28 shall submit to the voters any proposal that results in a combined rate of sales
29 taxes adopted under this section in excess of two percent.

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

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

94.900. 1. (1) The governing body of the following cities may impose a

2 tax as provided in this section:

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

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

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

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

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

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

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

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

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

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

34 (2) The governing body of any city listed in subdivision (1) of this
35 subsection is hereby authorized to impose, by ordinance or order, a sales tax in
36 the amount of up to one-half of one percent on all retail sales made in such city
37 which are subject to taxation under the provisions of sections 144.010 to 144.525

38 for the purpose of improving the public safety for such city, including but not
39 limited to expenditures on equipment, city employee salaries and benefits, and
40 facilities for police, fire and emergency medical providers. The tax authorized by
41 this section shall be in addition to any and all other sales taxes allowed by law,
42 except that no ordinance or order imposing a sales tax pursuant to the provisions
43 of this section shall be effective unless the governing body of the city submits to
44 the voters of the city, at a county or state general, primary or special election, a
45 proposal to authorize the governing body of the city to impose a tax.

46 2. If the proposal submitted involves only authorization to impose the tax
47 authorized by this section, the ballot of submission shall contain, but need not be
48 limited to, the following language:

49 Shall the city of _____ (city's name) impose a citywide sales tax of
50 _____ (insert amount) for the purpose of improving the public
51 safety of the city?

52 YES NO

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

56 If a majority of the votes cast on the proposal by the qualified voters voting
57 thereon are in favor of the proposal submitted pursuant to this subsection, then
58 the ordinance or order and any amendments thereto shall be in effect on the first
59 day of the second calendar quarter after the director of revenue receives
60 notification of adoption of the local sales tax. If a proposal receives less than the
61 required majority, then the governing body of the city shall have no power to
62 impose the sales tax herein authorized unless and until the governing body of the
63 city shall again have submitted another proposal to authorize the governing body
64 of the city to impose the sales tax authorized by this section and such proposal
65 is approved by the required majority of the qualified voters voting
66 thereon. However, in no event shall a proposal pursuant to this section be
67 submitted to the voters sooner than twelve months from the date of the last
68 proposal pursuant to this section.

69 3. All revenue received by a city from the tax authorized under the
70 provisions of this section shall be deposited in a special trust fund and shall be
71 used solely for improving the public safety for such city for so long as the tax
72 shall remain in effect.

73 4. Once the tax authorized by this section is abolished or is terminated by

74 any means, all funds remaining in the special trust fund shall be used solely for
75 improving the public safety for the city. Any funds in such special trust fund
76 which are not needed for current expenditures may be invested by the governing
77 body in accordance with applicable laws relating to the investment of other city
78 funds.

79 5. All sales taxes collected by the director of the department of revenue
80 under this section on behalf of any city, less one percent for cost of collection
81 which shall be deposited in the state's general revenue fund after payment of
82 premiums for surety bonds as provided in section 32.087, shall be deposited in a
83 special trust fund, which is hereby created, to be known as the "City Public Safety
84 Sales Tax Trust Fund". The moneys in the trust fund shall not be deemed to be
85 state funds and shall not be commingled with any funds of the state. The
86 provisions of section 33.080 to the contrary notwithstanding, money in this fund
87 shall not be transferred and placed to the credit of the general revenue fund. The
88 director of the department of revenue shall keep accurate records of the amount
89 of money in the trust and which was collected in each city imposing a sales tax
90 pursuant to this section, and the records shall be open to the inspection of officers
91 of the city and the public. Not later than the tenth day of each month the
92 director of the department of revenue shall distribute all moneys deposited in the
93 trust fund during the preceding month to the city which levied the tax; such
94 funds shall be deposited with the city treasurer of each such city, and all
95 expenditures of funds arising from the trust fund shall be by an appropriation act
96 to be enacted by the governing body of each such city. Expenditures may be made
97 from the fund for any functions authorized in the ordinance or order adopted by
98 the governing body submitting the tax to the voters.

99 6. The director of the department of revenue may make refunds from the
100 amounts in the trust fund and credited to any city for erroneous payments and
101 overpayments made, and may redeem dishonored checks and drafts deposited to
102 the credit of such cities. If any city abolishes the tax, the city shall notify the
103 director of the department of revenue of the action at least ninety days prior to
104 the effective date of the repeal and the director of the department of revenue may
105 order retention in the trust fund, for a period of one year, of two percent of the
106 amount collected after receipt of such notice to cover possible refunds or
107 overpayment of the tax and to redeem dishonored checks and drafts deposited to
108 the credit of such accounts. After one year has elapsed after the effective date of
109 abolition of the tax in such city, the director of the department of revenue shall

110 remit the balance in the account to the city and close the account of that
111 city. The director of the department of revenue shall notify each city of each
112 instance of any amount refunded or any check redeemed from receipts due the
113 city.

114 7. Except as modified in this section, all provisions of sections 32.085 and
115 32.087 shall apply to the tax imposed pursuant to this section.

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

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

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

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

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

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

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

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

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

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

28 2. The governing body of any city listed in subsection 1 of this section may
29 impose, by order or ordinance, a sales tax on all retail sales made in the city
30 which are subject to taxation under chapter 144. The tax authorized in this

31 section may be imposed in an amount of up to one-half of one percent, and shall
32 be imposed solely for the purpose of improving the public safety for such city,
33 including but not limited to expenditures on equipment, city employee salaries
34 and benefits, and facilities for police, fire and emergency medical providers. The
35 tax authorized in this section shall be in addition to all other sales taxes imposed
36 by law, and shall be stated separately from all other charges and taxes. The
37 order or ordinance imposing a sales tax under this section shall not become
38 effective unless the governing body of the city submits to the voters residing
39 within the city, at a county or state general, primary, or special election, a
40 proposal to authorize the governing body of the city to impose a tax under this
41 section.

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

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

47 YES NO

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

51 If a majority of the votes cast on the proposal by the qualified voters voting
52 thereon are in favor of the proposal, then the ordinance or order and any
53 amendments to the order or ordinance shall become effective on the first day of
54 the second calendar quarter after the director of revenue receives notice of the
55 adoption of the sales tax. If a majority of the votes cast on the proposal by the
56 qualified voters voting thereon are opposed to the proposal, then the tax shall not
57 become effective unless the proposal is resubmitted under this section to the
58 qualified voters and such proposal is approved by a majority of the qualified
59 voters voting on the proposal. However, in no event shall a proposal under this
60 section be submitted to the voters sooner than twelve months from the date of the
61 last proposal under this section.

62 4. Any sales tax imposed under this section shall be administered,
63 collected, enforced, and operated as required in section 32.087. All sales taxes
64 collected by the director of the department of revenue under this section on behalf
65 of any city, less one percent for cost of collection which shall be deposited in the
66 state's general revenue fund after payment of premiums for surety bonds as

67 provided in section 32.087, shall be deposited in a special trust fund, which is
68 hereby created in the state treasury, to be known as the "City Public Safety Sales
69 Tax Trust Fund". The moneys in the trust fund shall not be deemed to be state
70 funds and shall not be commingled with any funds of the state. The provisions
71 of section 33.080 to the contrary notwithstanding, money in this fund shall not
72 be transferred and placed to the credit of the general revenue fund. The director
73 shall keep accurate records of the amount of money in the trust fund and which
74 was collected in each city imposing a sales tax under this section, and the records
75 shall be open to the inspection of officers of the city and the public. Not later
76 than the tenth day of each month the director shall distribute all moneys
77 deposited in the trust fund during the preceding month to the city which levied
78 the tax. Such funds shall be deposited with the city treasurer of each such city,
79 and all expenditures of funds arising from the trust fund shall be by an
80 appropriation act to be enacted by the governing body of each such
81 city. Expenditures may be made from the fund for any functions authorized in
82 the ordinance or order adopted by the governing body submitting the tax to the
83 voters. If the tax is repealed, all funds remaining in the special trust fund shall
84 continue to be used solely for the designated purposes. Any funds in the special
85 trust fund which are not needed for current expenditures shall be invested in the
86 same manner as other funds are invested. Any interest and moneys earned on
87 such investments shall be credited to the fund.

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

101 6. The governing body of any city that has adopted the sales tax
102 authorized in this section may submit the question of repeal of the tax to the

103 voters on any date available for elections for the city. The ballot of submission
104 shall be in substantially the following form:

105 Shall _____ (insert the name of the city) repeal the sales tax
106 imposed at a rate of _____ (insert rate of percent) percent for the
107 purpose of improving the public safety of the city?

108 YES NO

109 If a majority of the votes cast on the proposal are in favor of repeal, that repeal
110 shall become effective on December thirty-first of the calendar year in which such
111 repeal was approved. If a majority of the votes cast on the question by the
112 qualified voters voting thereon are opposed to the repeal, then the sales tax
113 authorized in this section shall remain effective until the question is resubmitted
114 under this section to the qualified voters, and the repeal is approved by a
115 majority of the qualified voters voting on the question.

116 7. Whenever the governing body of any city that has adopted the sales tax
117 authorized in this section receives a petition, signed by ten percent of the
118 registered voters of the city voting in the last gubernatorial election, calling for
119 an election to repeal the sales tax imposed under this section, the governing body
120 shall submit to the voters of the city a proposal to repeal the tax. If a majority
121 of the votes cast on the question by the qualified voters voting thereon are in
122 favor of the repeal, that repeal shall become effective on December thirty-first of
123 the calendar year in which such repeal was approved. If a majority of the votes
124 cast on the question by the qualified voters voting thereon are opposed to the
125 repeal, then the tax shall remain effective until the question is resubmitted under
126 this section to the qualified voters and the repeal is approved by a majority of the
127 qualified voters voting on the question.

128 8. Any sales tax imposed under this section by a city described under
129 subdivision (6) of subsection 1 of this section that is in effect as of December 31,
130 2038, shall automatically expire. No city described under subdivision (6) of
131 subsection 1 of this section shall collect a sales tax pursuant to this section on or
132 after January 1, 2039. Subsection 7 of this section shall not apply to a sales tax
133 imposed under this section by a city described under subdivision (6) of subsection
134 1 of this section.

135 9. Except as modified in this section, all provisions of sections 32.085 and
136 32.087 shall apply to the tax imposed under this section.

Section B. Because of the importance of providing funding for public
2 safety, the repeal and reenactment of section 94.900 of this act is deemed

3 necessary for the immediate preservation of the public health, welfare, peace and
4 safety, and is hereby declared to be an emergency act within the meaning of the
5 constitution, and the repeal and reenactment of section 94.900 of this act shall
6 be in full force and effect upon its passage and approval.

✓

Unofficial

Bill

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