AN ACT
To repeal section 302.341, RSMo, and to enact in lieu thereof twelve new sections relating to local government.

Section A. Section 302.341, RSMo, is repealed and twelve new sections enacted in lieu thereof, to be known as sections 67.287, 302.341, 479.155, 479.350, 479.353, 479.356, 479.359, 479.360, 479.362, 479.368, 479.372, and 479.375, to read as follows:

67.287. 1. As used in this section, the following terms mean:

(1) "Minimum standards", adequate and material provision of each of the items listed in subsection 2 of this section;

(2) "Municipality", any city, town, or village located in any county with a charter form of government and with more than nine hundred fifty thousand inhabitants;

(3) "Peace officer", any peace officer as defined in section 590.010 who is licensed under chapter 590.

2. Every municipality shall meet the following minimum standards within three years of the effective date of this section by providing the following municipal services, financial services, and reports, except that the provision of subdivision (6) of this subsection shall be completed within six years:

(1) A balanced annual budget listing anticipated revenues and expenditures, as required in section 67.010;

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.
(2) An annual audit by a certified public accountant of the finances of the municipality that includes a report on the internal controls utilized by the municipality and prepared by a qualified financial consultant that are implemented to prevent misuse of public funds. The municipality also shall include its current procedures that show compliance with or reasonable exceptions to the recommended internal controls;

(3) A cash management and accounting system that accounts for all revenues and expenditures;

(4) Adequate levels of insurance to minimize risk to include:
   (a) General liability coverage;
   (b) If applicable, liability coverage with endorsements to cover emergency medical personnel and paramedics;
   (c) If applicable, police professional liability coverage;
   (d) Workers compensation benefits for injured employees under the provisions of chapter 287; and
   (e) Bonds for local officials as required by section 77.390, 79.260, 80.250, or local charter;

(5) Access to a complete set of ordinances adopted by the governing body available to the public within ten business days of a written request. An online version of the regulations or code shall satisfy this requirement for those ordinances that are codified;

(6) A police department accredited or certified by the Commission on Accreditation for Law Enforcement Agencies or the Missouri Police Chiefs Association or a contract for police service with a police department accredited or certified by such entities;

(7) Written policies regarding the safe operation of emergency vehicles, including a policy on police pursuit;

(8) Written policies regarding the use of force by peace officers;

(9) Written general orders for a municipal police department unless contracting with another municipality or county for police services;

(10) Written policies for collecting and reporting all crime and police stop data for the municipality as required by law. Such policies shall be forwarded to the attorney general's office;

(11) Construction code review by existing staff, directly or by contract with a public or private agency; and
(12) Information published annually on the website of the municipality indicating how the municipality met the standards in this subsection. If there is no municipal website, the information shall be submitted to the county for publication on its website, if it has a website.

3. If any resident of a municipality has belief or knowledge that such municipality has failed to ensure that the standards listed in subsection 2 of this section are regularly provided and are likely to continue to be provided, he or she may make an affidavit before any person authorized to administer oaths setting forth the facts alleging the failure to meet the required standards and file the affidavit with the attorney general. It shall be the duty of the attorney general, if, in his or her opinion, the facts stated in the affidavit justify, to declare whether the municipality is operating below minimum standards, and if it is, the municipality shall have sixty days to rectify the deficiencies in services noted by the attorney general. If after sixty days the municipality is still deemed by the attorney general to have failed to rectify sufficient minimum standards to be in compliance with those specified by subsection 2 of this section, the attorney general may file suit in the circuit court of the county. If the court finds that the municipality is not in compliance with the minimum standards specified in subsection 2 of this section, the circuit court of the county shall order the following remedies:

(1) Appointment of an administrative authority for the municipality including, but not limited to, another political subdivision, the state, or a qualified private party to administer all revenues under the name of the municipality or its agents and all funds collected on behalf of the municipality. If the court orders an administrative authority to administer the revenues under this subdivision, it may send an order to the director of revenue or other party charged with distributing tax revenue, as identified by the attorney general, to distribute such revenues and funds to the administrative authority who shall use such revenues and existing funds to provide the services required under a plan approved by the court. The court shall enter an order directing all financial and other institutions holding funds of the municipality, as identified by the attorney general, to honor the directives of the administrative authority;
(2) If the court finds that the minimum standards specified in subsection 2 of this section still are not established at the end of ninety days from the time the court finds that the municipality is not in compliance with the minimum standards specified in subsection 2 of this section, the court may either enter an order disincorporating the municipality or order placed on the ballot the question of whether to disincorporate the municipality as provided in subdivisions (1), (2), (4), and (5) of subsection 3 of section 479.368. The court also shall place the question of disincorporation on the ballot as provided by subdivisions (1), (2), (4), and (5) of subsection 3 of section 479.368 if at least twenty percent of the registered voters residing in the subject municipality or forty percent of the number of voters who voted in the last municipal election, whichever is lesser, submit a petition to the court while the matter is pending, seeking disincorporation. The question shall be submitted to the voters in substantially the following form:

"The city/town/village of .............. has failed to meet minimum standards of governance as required by law. Shall the city/town/village of .............. be dissolved?"

☐ YES ☐ NO

If electors vote to disincorporate, the court shall determine the date upon which the disincorporation shall occur, taking into consideration a logical transition.

4. The court shall have ongoing jurisdiction to enforce its orders and carry out the remedies in subsection 3 of this section.

302.341. 1. If a Missouri resident charged with a moving traffic violation of this state or any county or municipality of this state fails to dispose of the charges of which the resident is accused through authorized prepayment of fine and court costs and fails to appear on the return date or at any subsequent date to which the case has been continued, or without good cause fails to pay any fine or court costs assessed against the resident for any such violation within the period of time specified or in such installments as approved by the court or as otherwise provided by law, any court having jurisdiction over the charges shall within ten days of the failure to comply inform the defendant by ordinary mail at the last address shown on the court records that the court will order the director of revenue to suspend the defendant's driving privileges if the charges are not disposed of and fully paid within thirty days from the date of mailing. Thereafter, if the defendant fails to timely act to dispose of the charges
and fully pay any applicable fines and court costs, the court shall notify the
director of revenue of such failure and of the pending charges against the
defendant. Upon receipt of this notification, the director shall suspend the
license of the driver, effective immediately, and provide notice of the suspension
to the driver at the last address for the driver shown on the records of the
department of revenue. Such suspension shall remain in effect until the court
with the subject pending charge requests setting aside the noncompliance
suspension pending final disposition, or satisfactory evidence of disposition of
pending charges and payment of fine and court costs, if applicable, is furnished
to the director by the individual. The filing of financial responsibility with the
bureau of safety responsibility, department of revenue, shall not be required as
a condition of reinstatement of a driver’s license suspended solely under the
provisions of this section.

2. If any city, town, village, or county receives more than thirty percent
of its annual general operating revenue from fines and court costs for traffic
violations, including amended charges from any traffic violation, occurring within
the city, town, village, or county, all revenues from such violations in excess of
thirty percent of the annual general operating revenue of the city, town, village,
or county shall be sent to the director of the department of revenue and shall be
distributed annually to the schools of the county in the same manner that
proceeds of all penalties, forfeitures and fines collected for any breach of the
penal laws of the state are distributed. The director of the department of revenue
shall set forth by rule a procedure whereby excess revenues as set forth above
shall be sent to the department of revenue. If any city, town, village, or county
disputes a determination that it has received excess revenues required to be sent
to the department of revenue, such city, town, village, or county may submit to
an annual audit by the state auditor under the authority of Article IV, Section 13
of the Missouri Constitution. An accounting of the percent of annual general
operating revenue from fines and court costs for traffic violations, including
amended charges from any charged traffic violation, occurring within the city,
town, village, or county and charged in the municipal court of that city, town,
village, or county shall be included in the comprehensive annual financial report
submitted to the state auditor by the city, town, village, or county under section
105.145. Any city, town, village, or county which fails to make an accurate or
timely report, or to send excess revenues from such violations to the director of
the department of revenue by the date on which the report is due to the state
auditor shall suffer an immediate loss of jurisdiction of the municipal court of
said city, town, village, or county on all traffic-related charges until all requirements of this section are satisfied. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2009, shall be invalid and void.] The provisions of subsection 1 of this section shall not apply to minor traffic violations as defined in section 479.350.

479.155. 1. By September 1, 2015, the presiding judge of the circuit court in which the municipal division is located shall report to the clerk of the supreme court the name and address of the municipal division and any other information regarding the municipal division requested by the clerk of the supreme court on a standardized form developed by the clerk of the supreme court.

2. If a municipality elects to abolish or establish a municipal division, the presiding judge of the circuit court in which the municipal division is located shall notify the clerk of the supreme court and shall complete the report required under subsection 1 of this section within ninety days of the establishment of the division.

3. The supreme court shall develop rules regarding conflict of interest for any prosecutor, defense attorney, or judge that has a pending case before the municipal division of any circuit court.

479.350. For purposes of sections 479.350 to 479.372, the following terms mean:

(1) "Annual general operating revenue", revenue that can be used to pay any bill or obligation of a county, city, town, or village, including general sales tax; general use tax; general property tax; fees from licenses and permits; unrestricted user fees; fines, court costs, bond forfeitures, and penalties. Annual general operating revenue does not include designated sales or use taxes; restricted user fees; grant funds; funds expended by a political subdivision for technological assistance in collecting, storing, and disseminating criminal history record information and facilitating criminal identification activities for the
purpose of sharing criminal justice-related information among political subdivisions; or other revenue designated for a specific purpose;

(2) "Court costs", costs, fees, or surcharges which are retained by a county, city, town, or village upon a finding of guilty or plea of guilty, and shall exclude any costs, fees, or surcharges disbursed to the state or other entities by a county, city, town, or village;

(3) "Minor traffic violation", a municipal or county ordinance violation prosecuted that does not involve an accident or injury, that does not involve the operation of a commercial motor vehicle, and for which the department of revenue is authorized to assess no more than four points to a person's driving record upon conviction. Minor traffic violation shall exclude a violation for exceeding the speed limit by more than nineteen miles per hour or a violation occurring within a construction zone or school zone.

479.353. The following conditions shall apply to minor traffic violations:

(1) The court shall not assess a fine, if combined with the amount of court costs, totaling in excess of three hundred dollars;

(2) The court shall not sentence a person to confinement, except the court may sentence a person to confinement for violations involving alcohol or controlled substances, violations endangering the health or welfare of others, and eluding or giving false information to a law enforcement officer;

(3) A person shall not be placed in confinement for failure to pay a fine unless such nonpayment violates terms of probation;

(4) Court costs that apply shall be assessed against the defendant unless the court finds that the defendant is indigent based on standards set forth in determining such by the presiding judge of the circuit. Such standards shall reflect model rules and requirements to be developed by the supreme court; and

(5) No court costs shall be assessed if the case is dismissed.

479.356. If a person fails to pay court costs, fines, fees, or other sums ordered by a municipal court, to be paid to the state or political subdivision, a municipal court may report any such delinquencies in excess of twenty-five dollars to the director of the department of revenue and request that the department seek a setoff of an income tax refund as provided by sections 143.782 to 143.788. The department shall
promulgate rules necessary to effectuate the purpose of the offset program.

479.359. 1. Every county, city, town, and village shall annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations, including amended charges for any minor traffic violations, whether the violation was prosecuted in municipal court, associate circuit court, or circuit court, occurring within the county, city, town, or village. If the percentage is more than thirty percent, the excess amount shall be sent to the director of the department of revenue. The director of the department of revenue shall set forth by rule a procedure whereby excess revenues as set forth in this section shall be sent to the department of revenue. The department of revenue shall distribute these moneys annually to the schools of the county in the same manner that proceeds of all fines collected for any breach of the penal laws of this state are distributed.

2. Beginning January 1, 2016, the percentage specified in subsection 1 of this section shall be reduced from thirty percent to twenty percent, unless any county, city, town, or village has a fiscal year beginning on any date other than January first, in which case the reduction shall begin on the first day of the immediately following fiscal year except that any county with a charter form of government and with more than nine hundred fifty thousand inhabitants and any city, town, or village with boundaries found within such county shall be reduced from thirty percent to twelve and one-half percent.

3. An addendum to the annual financial report submitted to the state auditor by the county, city, town, or village under section 105.145 shall contain an accounting of:

(1) Annual general operating revenue as defined in section 479.350;

(2) The total revenues from fines, bond forfeitures, and court costs for minor traffic violations occurring within the county, city, town, or village, including amended charges from any minor traffic violations;

(3) The percent of annual general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations occurring within the county, city, town, or village, including amended charges
from any charged minor traffic violation, charged in the municipal
court of that county, city, town, or village; and

(4) Said addendum shall be certified and signed by a
representative with knowledge of the subject matter as to the accuracy
of the addendum contents, under oath and under the penalty of perjury,
and witnessed by a notary public.

4. On or before December 31, 2015, the state auditor shall set
forth by rule a procedure for including the addendum information
required by this section. The rule shall also allow reasonable
opportunity for demonstration of compliance without unduly
burdensome calculations.

479.360. 1. Every county, city, town, and village shall file with
the state auditor, together with its report due under section 105.145, its
certification of its substantial compliance signed by its municipal judge
with the municipal court procedures set forth in this subsection during
the preceding fiscal year. The procedures to be adopted and certified
include the following:

(1) Defendants in custody pursuant to an initial arrest warrant
issued by a municipal court have an opportunity to be heard by a judge
in person, by telephone, or video conferencing as soon as practicable
and not later than forty-eight hours on minor traffic violations and not
later than seventy-two hours on other violations and, if not given that
opportunity, are released;

(2) Defendants in municipal custody shall not be held more than
twenty-four hours without a warrant after arrest;

(3) Defendants are not detained in order to coerce payment of
fines and costs;

(4) The municipal court has established procedures to allow
indigent defendants to present evidence of their financial condition
and takes such evidence into account if determining fines and costs and
establishing related payment requirements;

(5) The municipal court only assesses fines and costs as
authorized by law;

(6) No additional charge shall be issued for the failure to appear
for a minor traffic violation;

(7) The municipal court conducts proceedings in a courtroom
that is open to the public and large enough to reasonably accommodate
the public, parties, and attorneys;

(8) The municipal court makes use of alternative payment plans
and community service alternatives; and

(9) The municipal court has adopted an electronic payment
system or payment by mail for the payment of minor traffic violations.

2. On or before December 31, 2015, the state auditor shall set
forth by rule a procedure for including the addendum information
required by this section. The rule shall also allow reasonable
opportunity for demonstration of compliance.

479.362. 1. The auditor shall notify to the director of the
department of revenue whether or not county, city, town, or village has
timely filed the addendums required by sections 479.359 and 479.360
and transmit copies of all addendums filed in accordance with sections
479.359 and 479.360. The director of the department of revenue shall
review the information filed in the addendums as required by sections
479.359 and 479.360 and shall determine if any county, city, town, or
village:

(1) Failed to file an addendum; or

(2) Failed to remit to the department of revenue the excess
amount as set forth, certified, and signed in the addendum required by
section 479.359.

The director of the department of revenue shall send a notice by
certified mail to every county, city, town, or village failing to make the
required filing or excess payment. The notice shall advise the county,
city, town, or village of the failure and state that the county, city, town,
or village is to correct the failure within sixty days of the date of the
notice.

2. If a county, city, town, or village files the required addendum
after notice from the director of the department of revenue, the
director shall determine whether the county, city, town, or village
failed to pay any excess amount required. If so, the director shall send
an additional notice of failure to pay the excess amount and the county,
city, town, or village shall pay the excess amount within sixty days of
the date of the original notice.

3. A county, city, town, or village sent a notice by the director of
the department of revenue for failure to pay or failure to file the
required addendum under this section may seek judicial review of any
determination made by the director of the department of revenue in the circuit court in which the municipal division is located by filing a petition under section 536.150 within thirty days of receipt of such determination. The county, city, town, or village shall give written notice of such filing to the director of revenue by certified mail. Within fifteen days of filing the petition, the county, city, town, or village shall deposit an amount equal to any amount in dispute into the registry of the circuit court by the county, city, town, or village. Failure to do so shall result in a dismissal of the case.

4. In addition to other available remedies, if the circuit court determines that the director of the department of revenue's determination as to the amount of excess funds or failure to file is in error, the circuit court shall return the amount not required to be remitted to the department of revenue to the county, city, town, or village immediately. The remainder of the funds held in the registry shall be paid to the director of the department of revenue for distribution under subsection 1 of section 479.359.

5. If any county, city, town, or village has failed to file an accurate or timely addendum or send excess revenue to the director of the department of revenue and the sixty-day period described in subsection 1 of this section has passed or there has been a final adjudication of a petition filed pursuant to subsection 3 of this section, whichever is later, the director of the department of revenue shall send a final notice to the clerk of the municipal court. If the county, city, town, or village fails to become compliant within five days after the date of the final notice, the director of the department of revenue shall send a notice of the noncompliance to the presiding judge of the circuit court in which any county, city, town, or village is located and the presiding judge of the circuit court shall immediately order the clerk of the municipal court to certify all pending matters in the municipal court until such county, city, town, or village files an accurate addendum and sends excess revenue to the director of the department of revenue pursuant to 479.359 and 479.360. All fines, bond forfeitures, and court costs ordered or collected while a county, city, town, or village has its municipal court matters reassigned under this subsection shall be paid to the director of the department of revenue to be distributed to the schools of the county in the same manner that
proceeds of all penalties, forfeitures, and fines collection for any breach of the penal laws of the state are distributed and the county, city, town, or village shall not be entitled to such revenue. If the noncompliant county, city, town, or village thereafter files an accurate addendum and remits all the excess revenue owed pursuant to section 479.359 to the director of the department of revenue, the director of the department shall notify the clerk of the municipal court and the presiding judge of the circuit court that the county, city, town, or village may again hear matters and receive revenue from fines, bond forfeitures, and court costs subject to continuing compliance with section 479.359.

6. The state auditor shall have the authority to audit any addendum and any supporting documents submitted to the department of revenue by any county, city, town, or village.

479.368. 1. Except for county sales taxes deposited in the "County Sales Tax Trust Fund" as defined in section 66.620, any county, city, town, or village failing to timely file the required addendums or remit the required excess revenues, if applicable, after the time period provided by the notice by the director of the department of revenue or any final determination on excess revenue by the court in a judicial proceeding, whichever is later, shall not receive from that date any amount of moneys to which the county, city, town, or village would otherwise be entitled to receive from revenues from local sales tax as defined in section 32.085.

(1) If any county, city, town, or village has failed to timely file the required addendums, the director of the department of revenue shall hold any moneys the noncompliant city, town, village, or county would otherwise be entitled to from local sales tax as defined in section 32.085 until a determination is made by the director of revenue that the noncompliant city, town, village, or county has come into compliance with the provisions of sections 479.359 and 479.360.

(2) If any county, city, town, or village has failed to remit the required excess revenue to the director of the department of revenue such general local sales tax revenues shall be distributed as provided in subsection 1 of section 479.359 by the director of the department of revenue in the amount of excess revenues that the county, city, town, or village failed to remit.

Upon a noncompliant city, town, village, or county coming into
compliance with the provisions of sections 479.359 and 479.360, the
director of the department of revenue shall disburse any remaining
balance of funds held under this subsection after satisfaction of
amounts due under section 479.359. Moneys held by the director of the
department of revenue under this subsection shall not be deemed to be
state funds and shall not be commingled with any funds of the state.

2. Any city, town, village, or county that participates in the
distribution of local sales tax in sections 66.600 to 66.630 and fails to
timely file the required addendums or remit the required excess
revenues, if applicable, after the time period provided by the notice by
the director of the department of revenue or any final determination
on excess revenue by the court in a judicial proceeding, whichever is
later, shall not receive any amount of moneys to which said city, town,
village, or county would otherwise be entitled under 66.600 to
66.630. The director of the department of revenue shall notify the
county to which the duties of the director have been delegated under
section 66.601 of any noncompliant city, town, village, or county and
the county shall remit to the director of the department of revenue any
moneys to which said city, town, village, or county would otherwise be
entitled. No disbursements to the noncompliant city, town, village, or
county shall be permitted until a determination is made by the director
of revenue that the noncompliant city, town, village, or county has
come into compliance with the provisions of sections 479.359 and
479.360.

(1) If such county, city, town, or village has failed to timely file
the required addendums, the director of the department of revenue
shall hold any moneys the noncompliant city, town, village, or county
would otherwise be entitled to under sections 66.600 to 66.630 until a
determination is made by the director of revenue that the noncompliant
city, town, village, or county has come into compliance with the
provisions of sections 479.359 and 479.360.

(2) If any county, city, town, or village has failed to remit the
required excess revenue to the director of the department of revenue,
the director shall distribute such moneys the county, city, town, or
village would otherwise be entitled to under sections 66.600 to 66.630
in the amount of excess revenues that the city, town, village, or county
failed to remit as provided in subsection 1 of section 479.359.
Upon a noncompliant city, town, village, or county coming into compliance with the provisions of sections 479.359 and 479.360, the director of the department of revenue shall disburse any remaining balance of funds held under this subsection after satisfaction of amounts due under section 479.359 and shall notify the county to which the duties of the director have been delegated under section 66.601 that such compliant city, town, village, or county is entitled to distributions under sections 66.600 to 66.630. If a noncompliant city, town, village, or county becomes disincorporated, any moneys held by the director of the department of revenue shall be distributed to the schools of the county in the same manner that proceeds of all penalties, forfeitures, and fines collected for any breach of the penal laws of the state are distributed. Moneys held by the director of the department of revenue under this subsection shall not be deemed to be state funds and shall not be commingled with any funds of the state.

3. In addition to the provisions of subsection 1 of this section, any county that fails to remit the required excess revenue as required by section 479.359 shall have an election upon the question of disincorporation under article VI, section 5 of the Constitution of Missouri, and any such city, town, or village that fails to remit the required excess revenue as required by section 479.359 shall have an election upon the question of disincorporation according to the following procedure:

(1) The election upon the question of disincorporation of such city, town, or village shall be held on the next general election day, as defined by section 115.121;

(2) The director of the department of revenue shall notify the election authorities responsible for conducting the election according to the terms of section 115.125 and the county governing body in which the city, town, or village is located not later than 5:00 p.m. on the tenth Tuesday prior to the election of the amount of the excess revenues due;

(3) The question shall be submitted to the voters of such city, town, or village in substantially the following form:

"The city/town/village of ............ has kept more revenue from fines, bond forfeitures, and court costs for minor traffic violations than is permitted by state law and failed to remit those revenues to the county school fund. Shall
the city/town/village of ............. be dissolved?

☐ YES  ☐ NO

(4) Upon notification by the director of the department of revenue, the county governing body in which the city, town, or village is located shall give notice of the election for eight consecutive weeks prior to the election by publication in a newspaper of general circulation published in the city, town, or village, or if there is no such newspaper in the city, town, or village, then in the newspaper in the county published nearest the city, town, or village; and

(5) Upon the affirmative vote of sixty percent of those persons voting on the question, the county governing body shall disincorporate the city, town, or village.

479.372. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 479.350 to 479.372 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2015, shall be invalid and void.

479.375. If any provision of this act or their application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.