

FIRST REGULAR SESSION

HOUSE BILL NO. 629

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES POLLOCK (Sponsor), RICHARD, SUTHERLAND, SATER, GOODMAN, RUESTMAN, NIEVES, COOPER (120), DIXON, KRAUS, FLOOK, WELLS, LIPKE, McGHEE, JONES, WRIGHT (159), PARSON, DAY, TILLEY, NANCE, EMERY, DENISON, SCHAD, KINGERY, ST. ONGE AND MUNZLINGER (Co-sponsors).

Read 1st time February 23, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1501L.011

AN ACT

To repeal section 67.1300, RSMo, and to enact in lieu thereof one new section relating to local economic development sales tax.

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

Section A. Section 67.1300, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 67.1300, to read as follows:

67.1300. 1. The governing body of any [of the contiguous counties of the third classification without a township form of government enumerated in subdivisions (1) to (5) of this subsection or in any county of the fourth classification acting as a county of the second classification, having a population of at least forty thousand but less than forty-five thousand with a state university, and adjoining a county of the first classification with part of a city with a population of three hundred fifty thousand or more inhabitants or a county of the third classification with a township form of government and with a population of at least eight thousand but less than eight thousand four hundred inhabitants or a county of the third classification with more than fifteen townships having a population of at least twenty-one thousand inhabitants or a county of the third classification without a township form of government and with a population of at least seven thousand four hundred but less than eight thousand inhabitants or any county of the third classification with a population greater than three thousand but less than four thousand or any county of the third classification with a population

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.

14 greater than six thousand one hundred but less than six thousand four hundred or any county of
15 the third classification with a population greater than six thousand eight hundred but less than
16 seven thousand or any county of the third classification with a population greater than seven
17 thousand eight hundred but less than seven thousand nine hundred or any county of the third
18 classification with a population greater than eight thousand four hundred sixty but less than eight
19 thousand five hundred or any county of the third classification with a population greater than
20 nine thousand but less than nine thousand two hundred or any county of the third classification
21 with a population greater than ten thousand five hundred but less than ten thousand six hundred
22 or any county of the third classification with a population greater than twenty-three thousand five
23 hundred but less than twenty-three thousand seven hundred or a county of the third classification
24 with a population greater than thirty-three thousand but less than thirty-four thousand or a county
25 of the third classification with a population greater than twenty thousand eight hundred but less
26 than twenty-one thousand or a county of the third classification with a population greater than
27 fourteen thousand one hundred but less than fourteen thousand five hundred or a county of the
28 third classification with a population greater than twenty thousand eight hundred fifty but less
29 than twenty-two thousand or a county of the third classification with a population greater than
30 thirty-nine thousand but less than forty thousand or a county of the third classification with a
31 township form of organization and a population greater than twenty-eight thousand but less than
32 twenty-nine thousand or a county of the third classification with a population greater than fifteen
33 thousand but less than fifteen thousand five hundred or a county of the third classification with
34 a population greater than eighteen thousand but less than nineteen thousand seventy or a county
35 of the third classification with a population greater than thirteen thousand nine hundred but less
36 than fourteen thousand four hundred or a county of the third classification with a population
37 greater than twenty-seven thousand but less than twenty-seven thousand five hundred or a county
38 of the first classification without a charter form of government and a population of at least eighty
39 thousand but not greater than eighty-three thousand or a county of the third classification with
40 a population greater than fifteen thousand but less than fifteen thousand nine hundred without
41 a township form of government which does not adjoin any county of the first, second or fourth
42 classification or a county of the third classification with a population greater than twenty-three
43 thousand but less than twenty-five thousand without a township form of government which does
44 not adjoin any county of the second or fourth classification and does adjoin a county of the first
45 classification with a population greater than one hundred twenty thousand but less than one
46 hundred fifty thousand or in any county of the fourth classification acting as a county of the
47 second classification, having a population of at least forty-eight thousand or any governing body
48 of a municipality located in any of such counties] **county or municipality within a county** may
49 impose, by ordinance or order, a sales tax on all retail sales made in such county or municipality

50 which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo[:

51 (1) A county with a population of at least four thousand two hundred inhabitants but not
52 more than four thousand five hundred inhabitants;

53 (2) A county with a population of at least four thousand seven hundred inhabitants but
54 not more than four thousand nine hundred inhabitants;

55 (3) A county with a population of at least seven thousand three hundred inhabitants but
56 not more than seven thousand six hundred inhabitants;

57 (4) A county with a population of at least ten thousand one hundred inhabitants but not
58 more than ten thousand three hundred inhabitants; and

59 (5) A county with a population of at least four thousand three hundred inhabitants but
60 not more than four thousand five hundred inhabitants].

61 2. The maximum rate for a sales tax pursuant to this section shall be one percent for
62 municipalities and one-half of one percent for counties.

63 3. The tax authorized by this section shall be in addition to any and all other sales taxes
64 allowed by law, except that no ordinance or order imposing a sales tax pursuant to the provisions
65 of this section shall be effective unless the governing body of the county or municipality submits
66 to the voters of the county or municipality, at a regularly scheduled county, municipal or state
67 general or primary election, a proposal to authorize the governing body of the county or
68 municipality to impose a tax. Any sales tax imposed pursuant to this section shall not be
69 authorized for a period of more than five years.

70 4. Such proposal shall be submitted in substantially the following form:

71 Shall the ([city, town, village] **municipality** or county) of impose a sales tax of
72 (insert amount) for the purpose of economic development in the ([city, town, village]
73 **municipality** or county)?

74 YES NO

75

76 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
77 of the proposal, then the ordinance or order and any amendments thereto shall be in effect on the
78 first day of the second quarter after the director of revenue receives notice of adoption of the tax.

79 If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the
80 governing body of the county or municipality shall not impose the sales tax authorized in this
81 section until the governing body of the county or municipality resubmits another proposal to
82 authorize the governing body of the county or municipality to impose the sales tax authorized
83 by this section and such proposal is approved by a majority of the qualified voters voting
84 thereon; however no such proposal shall be resubmitted to the voters sooner than twelve months
85 from the date of the submission of the last such proposal.

86 5. All revenue received by a county or municipality from the tax authorized pursuant to
87 the provisions of this section shall be deposited in a special trust fund and shall be used solely
88 for economic development purposes within such county or municipality for so long as the tax
89 shall remain in effect.

90 6. Once the tax authorized by this section is abolished or is terminated by any means, all
91 funds remaining in the special trust fund shall be used solely for economic development purposes
92 within the county or municipality. Any funds in such special trust fund which are not needed for
93 current expenditures may be invested by the governing body in accordance with applicable laws
94 relating to the investment of other county or municipal funds.

95 7. All sales taxes collected by the director of revenue pursuant to this section on behalf
96 of any county or municipality, less one percent for cost of collection which shall be deposited
97 in the state's general revenue fund after payment of premiums for surety bonds as provided in
98 section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be
99 known as the "Local Economic Development Sales Tax Trust Fund".

100 8. The moneys in the local economic development sales tax trust fund shall not be
101 deemed to be state funds and shall not be commingled with any funds of the state. The director
102 of revenue shall keep accurate records of the amount of money in the trust fund and which was
103 collected in each county or municipality imposing a sales tax pursuant to this section, and the
104 records shall be open to the inspection of officers of the county or municipality and the public.

105 9. Not later than the tenth day of each month the director of revenue shall distribute all
106 moneys deposited in the trust fund during the preceding month to the county or municipality
107 which levied the tax. Such funds shall be deposited with the county treasurer of each such
108 county or the appropriate municipal officer in the case of a municipal tax, and all expenditures
109 of funds arising from the local economic development sales tax trust fund shall be by an
110 appropriation act to be enacted by the governing body of each such county or municipality.
111 Expenditures may be made from the fund for any economic development purposes authorized
112 in the ordinance or order adopted by the governing body submitting the tax to the voters.

113 10. The director of revenue may authorize the state treasurer to make refunds from the
114 amounts in the trust fund and credited to any county or municipality for erroneous payments and
115 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
116 such counties and municipalities.

117 11. If any county or municipality abolishes the tax, the county or municipality shall
118 notify the director of revenue of the action at least ninety days prior to the effective date of the
119 repeal and the director of revenue may order retention in the trust fund, for a period of one year,
120 of two percent of the amount collected after receipt of such notice to cover possible refunds or
121 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of

122 such accounts. After one year has elapsed after the effective date of abolition of the tax in such
123 county or municipality, the director of revenue shall remit the balance in the account to the
124 county or municipality and close the account of that county or municipality. The director of
125 revenue shall notify each county or municipality of each instance of any amount refunded or any
126 check redeemed from receipts due the county or municipality.

127 12. Except as modified in this section, all provisions of sections 32.085 and 32.087,
128 RSMo, shall apply to the tax imposed pursuant to this section.

129 13. For purposes of this section, the term "economic development" is limited to the
130 following:

131 (1) Operations of economic development or community development offices, including
132 the salaries of employees;

133 (2) Provision of training for job creation or retention;

134 (3) Provision of infrastructure and sites for industrial development or for public
135 infrastructure projects; and

136 (4) Refurbishing of existing structures and property relating to community development.