

FIRST REGULAR SESSION

# HOUSE BILL NO. 915

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES FARES (Sponsor), BIVINS,  
BYRD AND ST. ONGE (Co-sponsors).

Read 1<sup>st</sup> time March 31, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2158L.011

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### AN ACT

To amend chapter 94, RSMo, by adding thereto one new section relating to local sales taxes.

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

Section A. Chapter 94, RSMo, is amended by adding thereto one new section, to be  
2 known as section 94.860, to read as follows:

3 **94.860. 1. The governing body of any municipality located in whole or in part**  
4 **within any county with a charter form of government and with more than one million**  
5 **inhabitants is hereby authorized to impose, by ordinance or order, a sales tax in the**  
6 **amount of up to one-half of one percent on all retail sales made in such municipality, which**  
7 **are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the**  
8 **purpose of improving the public safety for such municipality, including but not limited to**  
9 **expenditures on equipment, municipal employee salaries and benefits, and facilities for**  
10 **police, fire and emergency medical providers. The tax authorized by this section shall be**  
11 **in addition to any and all other sales taxes allowed by law, except that if a municipality has**  
12 **elected to levy a sales tax authorized under section 321.242, RSMo, then the municipality**  
13 **may not utilize any funds derived from the tax authorized in this section for the provision**  
14 **of fire and emergency medical services. No ordinance or order imposing a sales tax**  
15 **pursuant to the provisions of this section shall be effective unless the governing body of the**  
16 **municipality submits to the voters of the municipality, at a county or state general,**  
**primary, or special election, a proposal to authorize the governing body of the municipality**  
**to impose a tax.**

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

20           **Shall the municipality of ..... (municipality's name) impose a sales tax of**  
21 **..... (insert amount) for the purpose of improving the public safety of the municipality?**

22

23

**YES**

**NO**

24

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

27

28 **If a majority of the votes cast on the proposal by the qualified voters voting thereon are in**  
29 **favor of the proposal submitted pursuant to this subsection, then the ordinance or order**  
30 **and any amendments thereto shall be in effect on the first day of the second quarter**  
31 **immediately following the election approving the proposal. If a proposal receives less than**  
32 **the required majority, then the governing body of the municipality shall have no power to**  
33 **impose the sales tax herein authorized unless and until the governing body of the**  
34 **municipality shall again have submitted another proposal to authorize the governing body**  
35 **of the municipality to impose the sales tax authorized by this section and such proposal is**  
36 **approved by the required majority of the qualified voters voting thereon.**

37

**3. Within thirty days of the approval of a public safety sales tax pursuant to this**  
38 **section, the governing body shall choose one of the following options:**

39

**(1) OPTION 1. Eighty-five percent of the moneys generated within each**  
40 **municipality shall be retained in subaccount 1 of the trust fund created in subsection 4 of**  
41 **this section and shall be returned to that municipality as provided in subdivision (1) of**  
42 **subsection 4 of this section. Fifteen percent of the moneys generated within each**  
43 **municipality shall be retained in subaccount 2 of the trust fund created in, and allocated**  
44 **as provided in, subdivision (2) of subsection 4 of this section;**

45

**(2) OPTION 2. One hundred percent of the moneys generated within each**  
46 **municipality shall be retained in subaccount 2 of the trust fund created in, and allocated**  
47 **as provided in, subdivision (2) of subsection 4 of this section.**

48

**4. The moneys shall be retained in two separate subaccounts in the "Municipal**  
49 **Public Safety Sales Tax Fund" which is hereby created in the state treasury. Moneys in**  
50 **the fund shall be distributed to each municipality as follows:**

51

**(1) For municipalities choosing Option 1, eighty-five percent of the taxes collected**  
52 **within each municipality and retained in subaccount 1 of the trust fund shall be returned**

53 to each municipality;

54 (2) For municipalities choosing Option 2, the moneys retained in subaccount 2 of  
55 the trust fund shall be distributed to each municipality based on the percentage ratio that  
56 the population of that municipality bears to the total population of all of the municipalities  
57 choosing Option 2.

58 5. All revenue received by a municipality from the tax authorized under the  
59 provisions of this section shall be deposited in a special trust fund and shall be used solely  
60 for improving the public safety for such municipality for so long as the tax shall remain in  
61 effect. Once the tax authorized by this section is abolished or is terminated by any means,  
62 all funds remaining in the special trust fund shall be used solely for improving public  
63 safety for the municipality. Any funds in such special trust fund which are not needed for  
64 current expenditures may be invested by the governing body in accordance with applicable  
65 laws relating to the investment of other municipal funds.

66 6. All sales taxes collected by the director of the department of revenue under this  
67 section on behalf of any municipality, less one percent for cost of collection which shall be  
68 deposited in the state's general revenue fund after payment of premiums for surety bonds  
69 as provided in section 32.087, RSMo, shall be deposited in the special trust fund created  
70 in the state treasury in subsection 4 of this section. The moneys in the trust fund shall not  
71 be deemed to be state funds and shall not be commingled with any funds of the state. The  
72 provisions of section 33.080, RSMo, to the contrary notwithstanding, money in this fund  
73 shall not be transferred and placed to the credit of the general revenue fund. The director  
74 of the department of revenue shall keep accurate records of the amount of money in the  
75 trust and which was collected in each municipality imposing a sales tax pursuant to this  
76 section, and the records shall be open to the inspection of officers of the municipality and  
77 the public. Not later than the tenth day of each month the director of the department of  
78 revenue shall distribute all moneys deposited in the trust fund during the preceding month  
79 to the municipality which levied the tax, such funds shall be deposited with the treasurer  
80 of each such municipality, and all expenditures of funds arising from the trust fund shall  
81 be by an appropriation act to be enacted by the governing body of each such municipality.  
82 Expenditures may be made from the fund for any functions authorized in the ordinance  
83 or order adopted by the governing body submitting the tax to the voters.

84 7. The director of the department of revenue may authorize the state treasurer to  
85 make refunds from the amounts in the trust fund and credited to any municipality for  
86 erroneous payments and overpayments made, and may redeem dishonored checks and  
87 drafts deposited to the credit of such municipalities. If any municipality abolishes the tax,  
88 the municipality shall notify the director of the department of revenue of the action at least

89 **ninety days prior to the effective date of the repeal and the director of the department of**  
90 **revenue may order retention in the trust fund, for a period of one year, of two percent of**  
91 **the amount collected after receipt of such notice to cover possible refunds or overpayment**  
92 **of the tax and to redeem dishonored checks and drafts deposited to the credit of such**  
93 **accounts. After one year has elapsed after the effective date of abolition of the tax in such**  
94 **municipality, the director of the department of revenue shall remit the balance in the**  
95 **account to the municipality and close the account of that municipality. The director of the**  
96 **department of revenue shall notify each municipality of each instance of any amount**  
97 **refunded or any check redeemed from receipts due the municipality.**

98 **8. Except as modified in this section, all provisions of sections 32.085 and 32.087,**  
99 **RSMo, shall apply to the tax imposed pursuant to this section.**