

FIRST REGULAR SESSION

HOUSE BILL NO. 1110

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MUNZLINGER (Sponsor), HOBBS AND KELLY (Co-sponsors).

2460L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 242, RSMo, by adding thereto one new section relating to a sales tax for drainage district maintenance.

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

Section A. Chapter 242, RSMo, is amended by adding thereto one new section, to be known as section 242.495, to read as follows:

242.495. 1. The governing body of any drainage district established under this chapter may impose, by order or ordinance, a sales tax on all retail sales made within the district which are subject to sales tax under chapter 144, RSMo. The tax authorized in this section shall be equal to one-half of one percent, and shall be imposed solely for the purpose of funding the maintenance and operation of the district. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

2. No such order or ordinance adopted under this section shall become effective unless the governing body of the district submits to the voters residing within the district at a state general, primary, or special election a proposal to authorize the governing body of the district to impose a tax under this section. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter after the director of revenue receives notification of adoption of the local sales tax. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this

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 section to the qualified voters and such question is approved by a majority of the qualified
18 voters voting on the question.

19 3. All revenue collected under this section by the director of the department of
20 revenue on behalf of any district, except for one percent for the cost of collection which
21 shall be deposited in the state's general revenue fund, shall be deposited in a special trust
22 fund, which is hereby created and shall be known as the "Drainage District Sales Tax
23 Fund", and shall be used solely for the designated purposes. Moneys in the fund shall not
24 be deemed to be state funds, and shall not be commingled with any funds of the state. The
25 director may make refunds from the amounts in the fund and credited to the district for
26 erroneous payments and overpayments made, and may redeem dishonored checks and
27 drafts deposited to the credit of such district. Any funds in the special fund which are not
28 needed for current expenditures shall be invested in the same manner as other funds are
29 invested. Any interest and moneys earned on such investments shall be credited to the
30 fund.

31 4. The governing body of any district that has adopted the sales tax authorized in
32 this section may submit the question of repeal of the tax to the voters on any date available
33 for elections for the district. If a majority of the votes cast on the question by the qualified
34 voters voting thereon are in favor of the repeal, that repeal shall become effective on
35 December thirty-first of the calendar year in which such repeal was approved. If a
36 majority of the votes cast on the question by the qualified voters voting thereon are
37 opposed to the repeal, then the sales tax authorized in this section shall remain effective
38 until the question is resubmitted under this section to the qualified voters and the repeal
39 is approved by a majority of the qualified voters voting on the question.

40 5. Whenever the governing body of any district that has adopted the sales tax
41 authorized in this section receives a petition, signed by a number of registered voters of the
42 district equal to at least ten percent of the number of registered voters of the district voting
43 in the last gubernatorial election, calling for an election to repeal the sales tax imposed
44 under this section, the governing body shall submit to the voters of the district a proposal
45 to repeal the tax. If a majority of the votes cast on the question by the qualified voters
46 voting thereon are in favor of the repeal, the repeal shall become effective on December
47 thirty-first of the calendar year in which such repeal was approved. If a majority of the
48 votes cast on the question by the qualified voters voting thereon are opposed to the repeal,
49 then the sales tax authorized in this section shall remain effective until the question is
50 resubmitted under this section to the qualified voters and the repeal is approved by a
51 majority of the qualified voters voting on the question.

52 **6. If the tax is repealed or terminated by any means, all funds remaining in the**
53 **special trust fund shall continue to be used solely for the designated purposes, and the**
54 **district shall notify the director of the department of revenue of the action at least ninety**
55 **days before the effective date of the repeal and the director may order retention in the trust**
56 **fund, for a period of one year, of two percent of the amount collected after receipt of such**
57 **notice to cover possible refunds or overpayment of the tax and to redeem dishonored**
58 **checks and drafts deposited to the credit of such accounts. After one year has elapsed after**
59 **the effective date of abolition of the tax in such district, the director shall remit the balance**
60 **in the account to the district and close the account of that district. The director shall notify**
61 **each district of each instance of any amount refunded or any check redeemed from receipts**
62 **due the district.**

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