

## HCS SCS SB 808 -- POLITICAL SUBDIVISIONS

SPONSOR: Callahan (Sutherland)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 9 to 3.

This substitute changes the laws regarding county classifications, city sales taxes, transient guest and sales taxes, and continuing education requirements for public administrators.

### COUNTY CLASSIFICATIONS (Section 48.020, RSMo)

The substitute increases the assessed valuation thresholds for a county to move into a higher classification. The minimum assessed valuation threshold for counties of the first classification is increased from \$600 million to \$900 million and from \$450 million to \$600 million for counties of the second classification. All counties with an assessed valuation of less than \$600 million will be third classification counties.

The governing body of any county of the second classification which, on August 28, 2010, has had an assessed valuation of at least \$600 million for at least one year may, by resolution of the county governing body, elect to become a county of the first classification after it has maintained that valuation for the period of time required under Section 48.030. Currently, only the counties of Lincoln and St. Francois qualify.

Any county of the second classification which, on August 28, 2010, has had an assessed valuation of at least \$600 million for at least five years may, by resolution of the county governing body duly adopted before December 31, 2010, elect to remain a county of the second classification until the assessed valuation of the county after 2009 results in placing it in another classification and it has maintained the necessary valuation for the period of time required under Section 48.030. Currently, only the counties of Christian and Newton qualify.

The required assessed valuation thresholds for changes in county classification will be increased each year by an amount equal to the change in the annual average of the federal Consumer Price Index or zero, whichever is greater. The State Tax Commission must calculate and publish the amount so that it is available to all the counties.

### CITY SALES TAXES (Sections 94.510, 94.550, and 94.577)

Currently, under the general city sales tax law, cities may

impose a sales tax, upon voter approval, at a rate of one-half of 1%, seven-eighths of 1%, or 1%; and the City of St. Louis may impose the tax at a rate not to exceed one and three-eighths percent, for the benefit of the city. The substitute specifies that the combined rate of sales taxes adopted under the city sales tax law cannot exceed 2%. This change is not to be construed as a new tax or an increase in the current levy of an existing tax for the purpose of Article X, Section 22, of the Missouri Constitution, commonly known as the Hancock Amendment, which requires voter approval. Cities that have already imposed and collected taxes under the city sales tax law can continue to do so without voter approval as a continuation of a tax previously approved by the voters of the city.

Currently, under the capital improvements city sales tax law, cities not in St. Louis County may impose a sales tax, upon voter approval, at a rate of one-eighth, one-fourth, three-eighths, or one-half of 1% for the purpose of funding, operating, and maintaining capital improvements. Municipalities in charter counties are authorized to impose a capital improvements tax under Section 94.890. The substitute specifies that the combined rate of sales taxes adopted under the capital improvement city sales tax law cannot exceed 1%. This change is not to be construed as a new tax or an increase in the current levy of an existing tax for the purpose of the Hancock Amendment which requires voter approval. Cities that have already imposed and collected taxes under the city sales tax law can continue to do so without voter approval as a continuation of a tax previously approved by the voters of the city.

#### TRANSIENT GUEST AND SALES TAXES

The substitute:

(1) Authorizes the City of Jefferson City to impose, upon voter approval, a transient guest tax of up to 7% per occupied room per night for promoting the city as a convention, visitor, and tourist center. Currently, the city is allowed to impose a tax of up to 5% per occupied room per night (Section 67.1000);

(2) Authorizes the cities of Ashland and Sugar Creek and Montgomery County to impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for the promotion of tourism (Section 67.1360);

(3) Authorizes real property owners in the Cameron School District located in the counties of Caldwell, Clinton, Daviess, and DeKalb, upon voter approval, to establish an exhibition center and recreational facility district and to impose a one-quarter of 1% sales tax for a period of up to 25 years to

fund the district (Section 67.2000);

(4) Authorizes the City of Grandview to impose, upon voter approval, a transient guest tax of up to 5% per occupied room per night for the promotion of tourism (Section 94.271); and

(5) Authorizes the City of North Kansas City to impose, upon voter approval, a transient guest tax of up to one-half of 1% per occupied room per night for the promotion of tourism and infrastructure improvements (Section 94.832).

#### CONTINUING EDUCATION REQUIREMENTS FOR PUBLIC ADMINISTRATORS (Sections 473.739 and 473.742)

The substitute specifies that the required continuing instruction for public administrators in certain counties of the first classification does not have to be classroom instruction in order for them to receive compensation.

A public administrator from a second, third, or fourth classification county or St. Louis City who chooses to receive an annual salary will receive \$2,000 of his or her salary only if he or she has completed at least 20 hours of instruction each year that has been approved by a professional association of the county public administrators of Missouri unless the public administrator is exempted from the training by the association. The association approving the program must provide a certificate of completion for the training program and send a list of certified public administrators to the treasurer of each county. Public administrators will be reimbursed for expenses incurred for attending the training in the same manner as other expenses.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will restore the annual requirement of 20 hours of instruction for elected public administrators and allow the instruction to be other than in a classroom. A public administrator will forfeit \$2,000 annually in salary if he or she fails to complete the training. There are no compensation increases in the bill.

Testifying for the bill were Senator Callahan; and Riley Bock and David Yancey, Missouri Association of Public Administrators.

OPPOSERS: There was no opposition voiced to the committee.