

SECOND REGULAR SESSION

# HOUSE BILL NO. 1868

## 98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOUGH.

5364H.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To repeal section 94.579, RSMo, and to enact in lieu thereof one new section relating to sales tax for public safety.

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

Section A. Section 94.579, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 94.579, to read as follows:

94.579. 1. The governing body of any home rule city with more than one hundred fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six hundred inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on all retail sales made within the city which are subject to sales tax under chapter 144. The tax authorized in this section shall not exceed one percent, and shall be imposed solely for the purpose of providing revenues for the operation of public safety departments, including police and fire departments, and for pension programs, and health care for employees and pensioners of the public safety departments. 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. The order or ordinance shall not become effective unless the governing body of the city submits to the voters residing within the city at a state general, primary, or special election a proposal to authorize the governing body of the city to impose a tax under this section. If the tax authorized in this section is not approved by the voters, then the city shall have an additional year during which to meet its required contribution payment beyond the time period described in section 105.683. If the city meets its required contribution payment in this time, then, notwithstanding the provisions of section 105.683 to the contrary, the delinquency shall not constitute a lien on the funds of the political subdivision, the board of such plan shall not be authorized to compel payment by

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.

18 application for writ of mandamus, and the state treasurer and the director of the department of  
19 revenue shall not withhold twenty-five percent of the certified contribution deficiency from the  
20 total moneys due the political subdivision from the state. The one-year extension shall only be  
21 available to the city on a one-time basis.

22 2. The ballot of submission for the tax authorized in this section shall be in substantially  
23 the following form:

24 Shall ..... (insert the name of the city) impose a sales tax at a rate of ..... (up  
25 to one) percent, solely for the purpose of providing revenues for the operation of public safety  
26 departments of the city?

27 ☐ YES ☐ NO

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

30 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor  
31 of the question, then the tax shall become effective on the first day of the second calendar quarter  
32 immediately following notification to the department of revenue. If a majority of the votes cast  
33 on the question by the qualified voters voting thereon are opposed to the question, then the tax  
34 shall not become effective unless and until the question is resubmitted under this section to the  
35 qualified voters and such question is approved by a majority of the qualified voters voting on the  
36 question.

37 3. All revenue collected under this section by the director of the department of revenue  
38 on behalf of any city, except for one percent for the cost of collection which shall be deposited  
39 in the state's general revenue fund, shall be deposited in a special trust fund, which is hereby  
40 created and shall be known as the "Public Safety Protection Sales Tax Fund", and shall be used  
41 solely for the designated purposes. Moneys in the fund shall not be deemed to be state funds,  
42 and shall not be commingled with any funds of the state. The director may make refunds from  
43 the amounts in the trust fund and credited to the city for erroneous payments and overpayments  
44 made, and may redeem dishonored checks and drafts deposited to the credit of such city. Any  
45 funds in the special trust fund which are not needed for current expenditures shall be invested  
46 in the same manner as other funds are invested. Any interest and moneys earned on such  
47 investments shall be credited to the fund. The director shall keep accurate records of the  
48 amounts in the fund, and such records shall be open to the inspection of the officers of such city  
49 and to the public. Not later than the tenth day of each month, the director shall distribute all  
50 moneys deposited in the fund during the preceding month to the city. Such funds shall be  
51 deposited with the treasurer of the city, and all expenditures of moneys from the fund shall be  
52 by an appropriation ordinance enacted by the governing body of the city.

53           4. On or after the effective date of the tax, the director of revenue shall be responsible  
54 for the administration, collection, enforcement, and operation of the tax, and sections 32.085 and  
55 32.087 shall apply. In order to permit sellers required to collect and report the sales tax to collect  
56 the amount required to be reported and remitted, but not to change the requirements of reporting  
57 or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies,  
58 the governing body of the city may authorize the use of a bracket system similar to that  
59 authorized in section 144.285, and notwithstanding the provisions of that section, this new  
60 bracket system shall be used where this tax is imposed and shall apply to all taxable transactions.  
61 Beginning with the effective date of the tax, every retailer in the city shall add the sales tax to  
62 the sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be  
63 recoverable at law in the same manner as the purchase price. For purposes of this section, all  
64 retail sales shall be deemed to be consummated at the place of business of the retailer.

65           5. All applicable provisions in sections 144.010 to 144.525 governing the state sales tax,  
66 and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax,  
67 and all exemptions granted to agencies of government, organizations, and persons under sections  
68 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax. The  
69 same sales tax permit, exemption certificate, and retail certificate required by sections 144.010  
70 to 144.525 for the administration and collection of the state sales tax shall satisfy the  
71 requirements of this section, and no additional permit or exemption certificate or retail certificate  
72 shall be required; except that, the director of revenue may prescribe a form of exemption  
73 certificate for an exemption from the tax. All discounts allowed the retailer under the state sales  
74 tax for the collection of and for payment of taxes are hereby allowed and made applicable to the  
75 tax. The penalties for violations provided in section 32.057 and sections 144.010 to 144.525 are  
76 hereby made applicable to violations of this section. If any person is delinquent in the payment  
77 of the amount required to be paid under this section, or in the event a determination has been  
78 made against the person for the tax and penalties under this section, the limitation for bringing  
79 suit for the collection of the delinquent tax and penalties shall be the same as that provided in  
80 sections 144.010 to 144.525.

81           6. The governing body of any city that has adopted the sales tax authorized in this section  
82 may submit the question of repeal of the tax to the voters on any date available for elections for  
83 the city. The ballot of submission shall be in substantially the following form:

84           Shall ..... (insert the name of the city) repeal the sales tax imposed  
85 at a rate of ..... (up to one) percent for the purpose of providing revenues for the operation of  
86 public safety departments of the city?

87                           ☐ YES                           ☐ NO

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

90 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor  
91 of repeal, that repeal shall become effective on December thirty-first of the calendar year in  
92 which such repeal was approved.

93 If a majority of the votes cast on the question by the qualified voters voting thereon are opposed  
94 to the repeal, then the sales tax authorized in this section shall remain effective until the question  
95 is resubmitted under this section to the qualified voters and the repeal is approved by a majority  
96 of the qualified voters voting on the question.

97 7. The governing body of any city that has adopted the sales tax authorized in this section  
98 shall submit the question of [repeal] **continuation** of the tax to the voters every five years from  
99 the date of its inception on a date available for elections for the city. The ballot of submission  
100 shall be in substantially the following form:

101 Shall ..... (insert the name of the city) [repeal the] **continue**  
102 **collecting a** sales tax imposed at a rate of ..... (up to one) percent for the purpose of  
103 providing revenues for the operation of public safety departments of the city?

104 ☐ YES ☐ NO

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

107 If a majority of the votes cast on the question by the qualified voters voting thereon are [in favor  
108 of repeal, that] **opposed to continuation**, repeal shall become effective on December thirty-first  
109 of the calendar year in which such [repeal was] **continuation was failed to be** approved. If a  
110 majority of the votes cast on the question by the qualified voters voting thereon are [opposed to  
111 the repeal] **in favor of continuation**, then the sales tax authorized in this section shall remain  
112 effective until the question is resubmitted under this section to the qualified voters and [the  
113 repeal is] **continuation fails to be** approved by a majority of the qualified voters voting on the  
114 question.

115 8. Whenever the governing body of any city that has adopted the sales tax authorized in  
116 this section receives a petition, signed by a number of registered voters of the city equal to at  
117 least two percent of the number of registered voters of the city voting in the last gubernatorial  
118 election, calling for an election to repeal the sales tax imposed under this section, the governing  
119 body shall submit to the voters of the city a proposal to repeal the tax. If a majority of the votes  
120 cast on the question by the qualified voters voting thereon are in favor of the repeal, the repeal  
121 shall become effective on December thirty-first of the calendar year in which such repeal was  
122 approved. If a majority of the votes cast on the question by the qualified voters voting thereon  
123 are opposed to the repeal, then the sales tax authorized in this section shall remain effective until

124 the question is resubmitted under this section to the qualified voters and the repeal is approved  
125 by a majority of the qualified voters voting on the question.

126         9. If the tax is repealed or terminated by any means, all funds remaining in the special  
127 trust fund shall continue to be used solely for the designated purposes, and the city shall notify  
128 the director of the department of revenue of the action at least ninety days before the effective  
129 date of the repeal and the director may order retention in the trust fund, for a period of one year,  
130 of two percent of the amount collected after receipt of such notice to cover possible refunds or  
131 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of  
132 such accounts. After one year has elapsed after the effective date of abolition of the tax in such  
133 city, the director shall remit the balance in the account to the city and close the account of that  
134 city. The director shall notify each city of each instance of any amount refunded or any check  
135 redeemed from receipts due the city.

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