

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 68, Page 1, Section A, Line 4, by
2 inserting after said section and line the following:

3
4 "137.073. 1. As used in this section, the following terms mean:

5 (1) "General reassessment", changes in value, entered in the assessor's books, of a
6 substantial portion of the parcels of real property within a county resulting wholly or partly from
7 reappraisal of value or other actions of the assessor or county equalization body or ordered by the
8 state tax commission or any court;

9 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each
10 purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax
11 rate authorized by election, including bond interest and sinking fund;

12 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
13 provisions of this section or when a court has determined the tax rate; except that, other provisions
14 of law to the contrary notwithstanding, a school district may levy the operating levy for school
15 purposes required for the current year ~~[pursuant to]~~ under subsection 2 of section 163.021, less all
16 adjustments required ~~[pursuant to]~~ under Article X, Section 22 of the ~~[Missouri]~~ Constitution of
17 Missouri, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax
18 year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved
19 by voters of the political subdivision as provided in this section;

20 (4) "Tax revenue", when referring to the previous year, means the actual receipts from ad
21 valorem levies on all classes of property, including state-assessed property, in the immediately
22 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected
23 in the fiscal year, and plus an additional allowance for the revenue which would have been collected
24 from property which was annexed by such political subdivision but which was not previously used
25 in determining tax revenue ~~[pursuant to]~~ under this section. The term "tax revenue" shall not
26 include any receipts from ad valorem levies on any property of a railroad corporation or a public
27 utility, as these terms are defined in section 386.020, which were assessed by the assessor of a
28 county or city in the previous year but are assessed by the state tax commission in the current year.
29 All school districts and those counties levying sales taxes ~~[pursuant to]~~ under chapter 67 shall
30 include in the calculation of tax revenue an amount equivalent to that by which they reduced
31 property tax levies as a result of sales tax ~~[pursuant to]~~ under section 67.505 and section 164.013 ~~[or~~
32 ~~as excess home dock city or county fees as provided in subsection 4 of section 313.820]~~ in the
33 immediately preceding fiscal year but not including any amount calculated to adjust for prior years.
34 For purposes of political subdivisions which were authorized to levy a tax in the prior year but
35 which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to
36 the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would

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1 have been available if the voluntary rate reduction had not been made.

2 2. Whenever changes in assessed valuation are entered in the assessor's books for any
3 personal property, in the aggregate, or for any subclass of real property as such subclasses are
4 established in Article X, Section 4(b) [~~of Article X~~] of the [~~Missouri~~] Constitution of Missouri and
5 defined in section 137.016, the county clerk in all counties and the assessor of St. Louis City shall
6 notify each political subdivision wholly or partially within the county or St. Louis City of the
7 change in valuation of each subclass of real property, individually, and personal property, in the
8 aggregate, exclusive of new construction and improvements. All political subdivisions shall
9 immediately revise the applicable rates of levy for each purpose for each subclass of real property,
10 individually, and personal property, in the aggregate, for which taxes are levied to the extent
11 necessary to produce from all taxable property, exclusive of new construction and improvements,
12 substantially the same amount of tax revenue as was produced in the previous year for each subclass
13 of real property, individually, and personal property, in the aggregate, except that the rate shall not
14 exceed the greater of the most recent voter-approved rate or the most recent voter-approved rate as
15 adjusted under subdivision (2) of subsection 5 of this section. Any political subdivision that has
16 received approval from voters for a tax increase after August 27, 2008, may levy a rate to collect
17 substantially the same amount of tax revenue as the amount of revenue that would have been
18 derived by applying the voter-approved increased tax rate ceiling to the total assessed valuation of
19 the political subdivision as most recently certified by the city or county clerk on or before the date
20 of the election in which such increase is approved, increased by the percentage increase in the
21 consumer price index, as provided by law, except that the rate shall not exceed the greater of the
22 most recent voter-approved rate or the most recent voter-approved rate as adjusted under
23 subdivision (2) of subsection 5 of this section. Such tax revenue shall not include any receipts from
24 ad valorem levies on any real property which was assessed by the assessor of a county or city in
25 such previous year but is assessed by the assessor of a county or city in the current year in a
26 different subclass of real property. Where the taxing authority is a school district for the purposes of
27 revising the applicable rates of levy for each subclass of real property, the tax revenues from state-
28 assessed railroad and utility property shall be apportioned and attributed to each subclass of real
29 property based on the percentage of the total assessed valuation of the county that each subclass of
30 real property represents in the current taxable year. As provided in Article X, Section 22 [~~of Article~~
31 ~~X~~] of the [~~constitution~~] Constitution of Missouri, a political subdivision may also revise each levy to
32 allow for inflationary assessment growth occurring within the political subdivision. The inflationary
33 growth factor for any such subclass of real property or personal property shall be limited to the
34 actual assessment growth in such subclass or class, exclusive of new construction and
35 improvements, and exclusive of the assessed value on any real property which was assessed by the
36 assessor of a county or city in the current year in a different subclass of real property, but not to
37 exceed the consumer price index or five percent, whichever is lower. Should the tax revenue of a
38 political subdivision from the various tax rates determined in this subsection be different than the
39 tax revenue that would have been determined from a single tax rate as calculated pursuant to the
40 method of calculation in this subsection prior to January 1, 2003, then the political subdivision shall
41 revise the tax rates of those subclasses of real property, individually, and/or personal property, in the
42 aggregate, in which there is a tax rate reduction, [~~pursuant to~~] under the provisions of this
43 subsection. Such revision shall yield an amount equal to such difference and shall be apportioned
44 among such subclasses of real property, individually, and/or personal property, in the aggregate,
45 based on the relative assessed valuation of the class or subclasses of property experiencing a tax rate
46 reduction. Such revision in the tax rates of each class or subclass shall be made by computing the
47 percentage of current year adjusted assessed valuation of each class or subclass with a tax rate
48 reduction to the total current year adjusted assessed valuation of the class or subclasses with a tax
49 rate reduction, multiplying the resulting percentages by the revenue difference between the single

rate calculation and the calculations ~~[pursuant to]~~ under this subsection and dividing by the respective adjusted current year assessed valuation of each class or subclass to determine the adjustment to the rate to be levied upon each class or subclass of property. The adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in the manner provided in this subsection, and added to the initial rate computed for each class or subclass of property. For school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented separate stated tax rates to be applied to the different subclasses of real property and personal property in the aggregate, or increases the separate rates that may be levied on the different subclasses of real property and personal property in the aggregate by different amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section. Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy for personal property shall cause such levy to increase over the levy for personal property from the prior year.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling ~~[pursuant to]~~ under this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court ~~[pursuant to]~~ under sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling for the particular subclass of real property or for personal property, in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate for the particular subclass of real property or for personal property, in the aggregate, after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected or finalized assessment been available at the time of the prior calculation.

4. (1) In order to implement the provisions of this section and Article X, Section 22 ~~[of Article X]~~ of the Constitution of Missouri, the term improvements shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the

1 additional assessed value of all improvements or additions to real property which were begun after
 2 and were not part of the prior year's assessment, except that the additional assessed value of all
 3 improvements or additions to real property which had been totally or partially exempt from ad
 4 valorem taxes ~~[pursuant to]~~ under sections 99.800 to 99.865, sections 135.200 to 135.255, ~~[and]~~
 5 section 353.110, or beginning the 2022 calendar year, any other provision of law providing for the
 6 total or partial exemption of ad valorem taxes, shall be included in the value of new construction
 7 and improvements when the property becomes totally or partially subject to assessment and
 8 payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the
 9 current year over that of the previous year is the equivalent of the new construction and
 10 improvements factor for personal property. Notwithstanding any opt-out implemented ~~[pursuant to]~~
 11 under subsection 15 of section 137.115, the assessor shall certify the amount of new construction
 12 and improvements and the amount of assessed value on any real property which was assessed by the
 13 assessor of a county or city in such previous year but is assessed by the assessor of a county or city
 14 in the current year in a different subclass of real property separately for each of the three subclasses
 15 of real property for each political subdivision to the county clerk in order that political subdivisions
 16 shall have this information for the purpose of calculating tax rates pursuant to this section and
 17 Article X, Section 22 ~~[, Article X,]~~ of the Constitution of Missouri. In addition, the state tax
 18 commission shall certify each year to each county clerk the increase in the general price level as
 19 measured by the Consumer Price Index for All Urban Consumers for the United States, or its
 20 successor publications, as defined and officially reported by the United States Department of Labor,
 21 or its successor agency. The state tax commission shall certify the increase in such index on the
 22 latest twelve-month basis available on February first of each year over the immediately preceding
 23 prior twelve-month period in order that political subdivisions shall have this information available in
 24 setting their tax rates according to law and Article X, Section 22 ~~[of Article X]~~ of the Constitution of
 25 Missouri. For purposes of implementing the provisions of this section and Article X, Section 22 ~~[of~~
 26 Article X] ~~of the [Missouri]~~ Constitution of Missouri, the term "property" means all taxable
 27 property, including state-assessed property.

28 (2) Each political subdivision required to revise rates of levy ~~[pursuant to]~~ under this section
 29 or Article X, Section 22 ~~[of Article X]~~ of the Constitution of Missouri shall calculate each tax rate it
 30 is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate
 31 revision provided in this section and Article X, Section 22 ~~[of Article X]~~ of the Constitution of
 32 Missouri, separately and without regard to annual tax rate reductions provided in section 67.505 and
 33 section 164.013. Each political subdivision shall set each tax rate it is authorized to levy using the
 34 calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly,
 35 ~~[pursuant to]~~ under the authority of Article X, Section 10(c) ~~[of Article X]~~ of the Constitution of
 36 Missouri, that the provisions of such section be applicable to tax rate revisions mandated ~~[pursuant~~
 37 ~~to]~~ under ~~[Section 22 of]~~ Article X, Section 22 of the Constitution of Missouri as to reestablishing
 38 tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict
 39 with Article X, Section 22 ~~[of Article X]~~ of the Constitution of Missouri. Annual tax rate reductions
 40 provided in section 67.505 and section 164.013 shall be applied to the tax rate as established
 41 ~~[pursuant to]~~ under this section and ~~[Section 22 of]~~ Article X, Section 22 of the Constitution of
 42 Missouri, unless otherwise provided by law.

43 5. (1) In all political subdivisions, the tax rate ceiling established ~~[pursuant to]~~ under this
 44 section shall not be increased unless approved by a vote of the people. Approval of the higher tax
 45 rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval
 46 by more than a simple majority ~~[pursuant to]~~ under any provision of law or the ~~[constitution]~~
 47 Constitution of Missouri, the tax rate increase must receive approval by at least the majority
 48 required.

49 (2) When voters approve an increase in the tax rate, the amount of the increase shall be

added to the tax rate ceiling as calculated ~~[pursuant to]~~ under this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied to the current total assessed valuation of the political subdivision, excluding new construction and improvements since the date of the election approving such increase, the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would have been derived by applying the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision, as most recently certified by the city or county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed in this section to yield the sum of: the amount of revenue that would be derived by applying such voter-approved increased rate to the total assessed valuation, as most recently certified by the city or county clerk on or before the date of the election in which such increase was approved, increased by the percentage increase in the consumer price index, as provided by law, from the date of the election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval in the manner provided under subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a political subdivision from voluntarily levying a tax rate lower than that which is required under the provisions of this section or from seeking voter approval of a reduction to such political subdivision's tax rate ceiling.

(4) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate ~~[pursuant to]~~ under the provisions of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction required by law resulting from sales tax collections. The provisions of this subdivision shall not apply to any political subdivision which has received voter approval for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

6. (1) For the purposes of calculating state aid for public schools ~~[pursuant to]~~ under section 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first determining the total tax revenue of the property within the jurisdiction of the taxing authority, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school district, such blended rate shall also be used by such school district for calculating revenue from state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its

1 proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the
2 nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-
3 hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round
4 up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-
5 hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a
6 fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent.
7 Any taxing authority levying a property tax rate shall provide data, in such form as shall be
8 prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All
9 forms for the calculation of rates ~~[pursuant to]~~ under this section shall be promulgated as a rule and
10 shall not be incorporated by reference. The state auditor shall promulgate rules for any and all
11 forms for the calculation of rates ~~[pursuant to]~~ under this section which do not currently exist in rule
12 form or that have been incorporated by reference. In addition, each taxing authority proposing to
13 levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state
14 auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate
15 proposed for annual debt service requirements will be prima facie valid if, after making the payment
16 for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the
17 following year's payments. The county clerk shall keep on file and available for public inspection
18 all such information for a period of three years. The clerk shall, within three days of receipt,
19 forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any
20 substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of
21 receipt, examine such information and return to the county clerk his or her findings as to compliance
22 of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt
23 service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate
24 does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax
25 rate, and the state auditor may request a taxing authority to submit documentation supporting such
26 taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the
27 auditor's findings to the taxing authority and shall file a copy of the findings with the information
28 received from the taxing authority. The taxing authority shall have fifteen days from the date of
29 receipt from the county clerk of the state auditor's findings and any request for supporting
30 documentation to accept or reject in writing the rate change certified by the state auditor and to
31 submit all requested information to the state auditor. A copy of the taxing authority's acceptance or
32 rejection and any information submitted to the state auditor shall also be mailed to the county clerk.
33 If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not
34 receive supporting information which justifies the taxing authority's original or any subsequent
35 proposed tax rate, then the state auditor shall refer the perceived violations of such taxing authority
36 to the attorney general's office and the attorney general is authorized to obtain injunctive relief to
37 prevent the taxing authority from levying a violative tax rate.

38 (3) In the event that the taxing authority incorrectly completes the forms created and
39 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing authority
40 may submit amended forms with an explanation for the needed changes. If such amended forms are
41 filed under regulations prescribed by the state auditor, the state auditor shall take into consideration
42 such amended forms for the purposes of this subsection.

43 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
44 subdivision has complied with the foregoing provisions of this section.

45 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with
46 the provisions of this section, the taxpayer may make a formal complaint with the prosecuting
47 attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the
48 filing of the complaint, the taxpayer may bring a civil action ~~[pursuant to]~~ under this section and
49 institute an action as representative of a class of all taxpayers within a taxing authority if the class is

1 so numerous that joinder of all members is impracticable, if there are questions of law or fact
 2 common to the class, if the claims or defenses of the representative parties are typical of the claims
 3 or defenses of the class, and if the representative parties will fairly and adequately protect the
 4 interests of the class. In any class action maintained ~~[pursuant to]~~ under this section, the court may
 5 direct to the members of the class a notice to be published at least once each week for four
 6 consecutive weeks in a newspaper of general circulation published in the county where the civil
 7 action is commenced and in other counties within the jurisdiction of a taxing authority. The notice
 8 shall advise each member that the court will exclude him or her from the class if he or she so
 9 requests by a specified date, that the judgment, whether favorable or not, will include all members
 10 who do not request exclusion, and that any member who does not request exclusion may, if he or she
 11 desires, enter an appearance. In any class action brought ~~[pursuant to]~~ under this section, the court,
 12 in addition to the relief requested, shall assess against the taxing authority found to be in violation of
 13 this section the reasonable costs of bringing the action, including reasonable attorney's fees,
 14 provided no attorney's fees shall be awarded any attorney or association of attorneys who receive
 15 public funds from any source for their services. Any action brought ~~[pursuant to]~~ under this section
 16 shall be set for hearing as soon as practicable after the cause is at issue.

17 9. If in any action, including a class action, the court issues an order requiring a taxing
 18 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
 19 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
 20 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
 21 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or
 22 otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced
 23 by the original levy and the amount produced by the revised levy. The township or county collector
 24 of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The
 25 taxing authority refusing to revise the rate of levy as provided in this section shall make available to
 26 the collector all funds necessary to make refunds ~~[pursuant to]~~ under this subsection. No taxpayer
 27 shall receive any interest on any money erroneously paid by him or her ~~[pursuant to]~~ under this
 28 subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a
 29 taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the
 30 current tax year.

31 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
 32 under the authority delegated in this section shall become effective only if it complies with and is
 33 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
 34 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
 35 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
 36 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
 37 August 28, 2004, shall be invalid and void."; and
 38

39 Further amend said bill by amending the title, enacting clause, and intersectional references
 40 accordingly.