

FIRST REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NOS. 876, 771, 676 & 551

102ND GENERAL ASSEMBLY

1701H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 94.900 and 94.902, RSMo, and to enact in lieu thereof two new sections relating to public safety sales taxes, with an emergency clause for a certain section.

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

Section A. Sections 94.900 and 94.902, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 94.900 and 94.902, to read as follows:

94.900. 1. (1) The governing body of the following cities may impose a tax as
2 provided in this section:

3 (a) Any city of the third classification with more than ten thousand eight hundred but
4 less than ten thousand nine hundred inhabitants located at least partly within a county of the
5 first classification with more than one hundred eighty-four thousand but less than one
6 hundred eighty-eight thousand inhabitants;

7 (b) Any city of the fourth classification with more than four thousand five hundred
8 but fewer than five thousand inhabitants;

9 (c) Any city of the fourth classification with more than eight thousand nine hundred
10 but fewer than nine thousand inhabitants;

11 (d) Any home rule city with more than forty-eight thousand but fewer than forty-nine
12 thousand inhabitants;

13 (e) Any home rule city with more than seventy-three thousand but fewer than
14 seventy-five thousand inhabitants;

15 (f) Any city of the fourth classification with more than thirteen thousand five hundred
16 but fewer than sixteen thousand inhabitants;

17 (g) Any city of the fourth classification with more than seven thousand but fewer than
18 eight thousand inhabitants;

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.

19 (h) Any city of the fourth classification with more than four thousand but fewer than
20 four thousand five hundred inhabitants and located in any county of the first classification
21 with more than one hundred fifty thousand but fewer than two hundred thousand inhabitants;

22 (i) Any city of the third classification with more than thirteen thousand but fewer than
23 fifteen thousand inhabitants and located in any county of the third classification without a
24 township form of government and with more than thirty-three thousand but fewer than thirty-
25 seven thousand inhabitants; ~~or~~

26 (j) Any city of the fourth classification with more than three thousand but fewer than
27 three thousand three hundred inhabitants and located in any county of the third classification
28 without a township form of government and with more than eighteen thousand but fewer than
29 twenty thousand inhabitants and that is not the county seat of such county;

30 **(k) Any city with more than ten thousand but fewer than eleven thousand**
31 **inhabitants and partially located in a county with more than two hundred thirty**
32 **thousand but fewer than two hundred sixty thousand inhabitants;**

33 **(l) Any city with more than four thousand nine hundred but fewer than five**
34 **thousand six hundred inhabitants and located in a county with more than thirty**
35 **thousand but fewer than thirty-five thousand inhabitants; or**

36 **(m) Any city with more than twelve thousand five hundred but fewer than**
37 **fourteen thousand inhabitants and that is the county seat of a county with more than**
38 **twenty-two thousand but fewer than twenty-five thousand inhabitants.**

39 (2) The governing body of any city listed in subdivision (1) of this subsection is
40 hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half
41 of one percent on all retail sales made in such city which are subject to taxation under the
42 provisions of sections 144.010 to 144.525 for the purpose of improving the public safety for
43 such city, including but not limited to expenditures on equipment, city employee salaries and
44 benefits, and facilities for police, fire and emergency medical providers. The tax authorized
45 by this section shall be in addition to any and all other sales taxes allowed by law, except that
46 no ordinance or order imposing a sales tax pursuant to the provisions of this section shall be
47 effective unless the governing body of the city submits to the voters of the city, at a county or
48 state general, primary or special election, a proposal to authorize the governing body of the
49 city to impose a tax.

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

53 Shall the city of _____ (city's name) impose a citywide sales tax
54 of _____ (insert amount) for the purpose of improving the public
55 safety of the city?

56 YES NO

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

60

61 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
62 favor of the proposal submitted pursuant to this subsection, then the ordinance or order and
63 any amendments thereto shall be in effect on the first day of the second calendar quarter after
64 the director of revenue receives notification of adoption of the local sales tax. If a proposal
65 receives less than the required majority, then the governing body of the city shall have no
66 power to impose the sales tax herein authorized unless and until the governing body of the
67 city shall again have submitted another proposal to authorize the governing body of the city to
68 impose the sales tax authorized by this section and such proposal is approved by the required
69 majority of the qualified voters voting thereon. However, in no event shall a proposal
70 pursuant to this section be submitted to the voters sooner than twelve months from the date of
71 the last proposal pursuant to this section.

72 3. All revenue received by a city from the tax authorized under the provisions of this
73 section shall be deposited in a special trust fund and shall be used solely for improving the
74 public safety for such city for so long as the tax shall remain in effect.

75 4. Once the tax authorized by this section is abolished or is terminated by any means,
76 all funds remaining in the special trust fund shall be used solely for improving the public
77 safety for the city. Any funds in such special trust fund which are not needed for current
78 expenditures may be invested by the governing body in accordance with applicable laws
79 relating to the investment of other city funds.

80 5. All sales taxes collected by the director of the department of revenue under this
81 section on behalf of any city, less one percent for cost of collection which shall be deposited
82 in the state's general revenue fund after payment of premiums for surety bonds as provided in
83 section 32.087, shall be deposited in a special trust fund, which is hereby created, to be
84 known as the "City Public Safety Sales Tax Trust Fund". The moneys in the trust fund shall
85 not be deemed to be state funds and shall not be commingled with any funds of the state. The
86 provisions of section 33.080 to the contrary notwithstanding, money in this fund shall not be
87 transferred and placed to the credit of the general revenue fund. The director of the
88 department of revenue shall keep accurate records of the amount of money in the trust and
89 which was collected in each city imposing a sales tax pursuant to this section, and the records
90 shall be open to the inspection of officers of the city and the public. Not later than the tenth
91 day of each month the director of the department of revenue shall distribute all moneys

92 deposited in the trust fund during the preceding month to the city which levied the tax; such
93 funds shall be deposited with the city treasurer of each such city, and all expenditures of funds
94 arising from the trust fund shall be by an appropriation act to be enacted by the governing
95 body of each such city. Expenditures may be made from the fund for any functions
96 authorized in the ordinance or order adopted by the governing body submitting the tax to the
97 voters.

98 6. The director of the department of revenue may make refunds from the amounts in
99 the trust fund and credited to any city for erroneous payments and overpayments made, and
100 may redeem dishonored checks and drafts deposited to the credit of such cities. If any city
101 abolishes the tax, the city shall notify the director of the department of revenue of the action at
102 least ninety days prior to the effective date of the repeal and the director of the department of
103 revenue may order retention in the trust fund, for a period of one year, of two percent of the
104 amount collected after receipt of such notice to cover possible refunds or overpayment of the
105 tax and to redeem dishonored checks and drafts deposited to the credit of such accounts.
106 After one year has elapsed after the effective date of abolition of the tax in such city, the
107 director of the department of revenue shall remit the balance in the account to the city and
108 close the account of that city. The director of the department of revenue shall notify each city
109 of each instance of any amount refunded or any check redeemed from receipts due the city.

110 7. Except as modified in this section, all provisions of sections 32.085 and 32.087
111 shall apply to the tax imposed pursuant to this section.

112 **8. If any city in subsection 1 of this section enacts the tax authorized in this**
113 **section, the city shall budget an amount to public safety that is no less than the amount**
114 **budgeted in the year immediately preceding the enactment of the tax. The revenue from**
115 **the tax shall supplement and not replace amounts budgeted by the city.**

94.902. 1. The governing bodies of the following cities may impose a tax as provided
2 in this section:

3 (1) Any city of the third classification with more than twenty-six thousand three
4 hundred but less than twenty-six thousand seven hundred inhabitants;

5 (2) Any city of the fourth classification with more than thirty thousand three hundred
6 but fewer than thirty thousand seven hundred inhabitants;

7 (3) Any city of the fourth classification with more than twenty-four thousand eight
8 hundred but fewer than twenty-five thousand inhabitants;

9 (4) Any special charter city with more than twenty-nine thousand but fewer than
10 thirty-two thousand inhabitants;

11 (5) Any city of the third classification with more than four thousand but fewer than
12 four thousand five hundred inhabitants and located in any county of the first classification
13 with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants;

14 (6) Any city of the fourth classification with more than nine thousand five hundred
15 but fewer than ten thousand eight hundred inhabitants;

16 (7) Any city of the fourth classification with more than five hundred eighty but fewer
17 than six hundred fifty inhabitants;

18 (8) Any city of the fourth classification with more than two thousand seven hundred
19 but fewer than three thousand inhabitants and located in any county of the first classification
20 with more than eighty-three thousand but fewer than ninety-two thousand inhabitants; ~~or~~

21 (9) Any city of the fourth classification with more than two thousand four hundred
22 but fewer than two thousand seven hundred inhabitants and located in any county of the third
23 classification without a township form of government and with more than ten thousand but
24 fewer than twelve thousand inhabitants;

25 **(10) Any city with more than one thousand sixty but fewer than one thousand**
26 **one hundred seventy inhabitants and located in a county with more than nineteen**
27 **thousand but fewer than twenty-two thousand inhabitants and with a county seat with**
28 **more than one thousand but fewer than two thousand two hundred twenty inhabitants;**

29 **(11) Any city with more than four hundred eighty but fewer than five hundred**
30 **forty inhabitants and located in a county with more than thirty thousand but fewer than**
31 **thirty-five thousand inhabitants and with a county seat with more than two hundred but**
32 **fewer than nine hundred inhabitants; or**

33 **(12) Any city with more than nine thousand but fewer than ten thousand**
34 **inhabitants and that is the county seat of a county with more than nineteen thousand but**
35 **fewer than twenty-two thousand inhabitants.**

36 2. The governing body of any city listed in subsection 1 of this section may impose,
37 by order or ordinance, a sales tax on all retail sales made in the city which are subject to
38 taxation under chapter 144. The tax authorized in this section may be imposed in an amount
39 of up to one-half of one percent~~and~~. **The tax** shall be imposed solely for the purpose of
40 improving the public safety for such city, including but not limited to expenditures on
41 equipment~~;~~; city employee salaries and benefits~~;~~; and facilities for police, fire and
42 emergency medical providers. The tax authorized in this section shall be in addition to all
43 other sales taxes imposed by law, and shall be stated separately from all other charges and
44 taxes. The order or ordinance imposing a sales tax under this section shall not become
45 effective unless the governing body of the city submits to the voters residing within the city,
46 at a county or state general, primary, or special election, a proposal to authorize the governing
47 body of the city to impose a tax under this section.

48 3. The ballot of submission for the tax authorized in this section shall be in
49 substantially the following form:

50 Shall the city of _____ [~~(city's name)~~] impose a citywide sales tax at a rate of _____
51 ____ [~~(insert rate of percent)~~] percent for the purpose of improving the public safety of the
52 city?

53 YES NO

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

56
57 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
58 favor of the proposal, then the ordinance or order and any amendments to the order or
59 ordinance shall become effective on the first day of the second calendar quarter after the
60 director of revenue receives notice of the adoption of the sales tax. If a majority of the votes
61 cast on the proposal by the qualified voters voting thereon are opposed to the proposal, then
62 the tax shall not become effective unless the proposal is resubmitted under this section to the
63 qualified voters and such proposal is approved by a majority of the qualified voters voting on
64 the proposal. However, in no event shall a proposal under this section be submitted to the
65 voters sooner than twelve months from the date of the last proposal under this section.

66 4. Any sales tax imposed under this section shall be administered, collected, enforced,
67 and operated as required in section 32.087. All sales taxes collected by the director of the
68 department of revenue under this section on behalf of any city, less one percent for cost of
69 collection which shall be deposited in the state's general revenue fund after payment of
70 premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust
71 fund, which is hereby created in the state treasury, to be known as the "City Public Safety
72 Sales Tax Trust Fund". The moneys in the trust fund shall not be deemed to be state funds
73 and shall not be commingled with any funds of the state. The provisions of section 33.080 to
74 the contrary notwithstanding, money in this fund shall not be transferred and placed to the
75 credit of the general revenue fund. The director shall keep accurate records of the amount of
76 money in the trust fund and which was collected in each city imposing a sales tax under this
77 section, and the records shall be open to the inspection of officers of the city and the public.
78 Not later than the tenth day of each month the director shall distribute all moneys deposited in
79 the trust fund during the preceding month to the city which levied the tax. Such funds shall be
80 deposited with the city treasurer of each such city, and all expenditures of funds arising from
81 the trust fund shall be by an appropriation act to be enacted by the governing body of each
82 such city. Expenditures may be made from the fund for any functions authorized in the
83 ordinance or order adopted by the governing body submitting the tax to the voters. If the tax
84 is repealed, all funds remaining in the special trust fund shall continue to be used solely for
85 the designated purposes. Any funds in the special trust fund which are not needed for current

86 expenditures shall be invested in the same manner as other funds are invested. Any interest
87 and moneys earned on such investments shall be credited to the fund.

88 5. The director of the department of revenue may authorize the state treasurer to make
89 refunds from the amounts in the trust fund and credited to any city for erroneous payments
90 and overpayments made, and may redeem dishonored checks and drafts deposited to the
91 credit of such cities. If any city abolishes the tax, the city shall notify the director of the
92 action at least ninety days before the effective date of the repeal, and the director may order
93 retention in the trust fund, for a period of one year, of two percent of the amount collected
94 after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem
95 dishonored checks and drafts deposited to the credit of such accounts. After one year has
96 elapsed after the effective date of abolition of the tax in such city, the director shall remit the
97 balance in the account to the city and close the account of that city. The director shall notify
98 each city of each instance of any amount refunded or any check redeemed from receipts due
99 the city.

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

103 Shall **the city of** _____ [~~(insert the name of the city)~~] repeal the sales tax imposed at
104 a rate of _____ [~~(insert rate of percent)~~] percent for the purpose of improving the
105 public safety of the city?

106 YES

NO

107

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

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

122 remain effective until the question is resubmitted under this section to the qualified voters and
123 the repeal is approved by a majority of the qualified voters voting on the question.

124 8. Any sales tax imposed under this section by a city described under subdivision (6)
125 of subsection 1 of this section that is in effect as of December 31, 2038, shall automatically
126 expire. No city described under subdivision (6) of subsection 1 of this section shall collect a
127 sales tax pursuant to this section on or after January 1, 2039. Subsection 7 of this section
128 shall not apply to a sales tax imposed under this section by a city described under subdivision
129 (6) of subsection 1 of this section.

130 9. Except as modified in this section, all provisions of sections 32.085 and 32.087
131 shall apply to the tax imposed under this section.

Section B. Because immediate action is necessary to provide funding for public
2 safety, section 94.900 of section A of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace, and safety and is hereby declared to be an
4 emergency act within the meaning of the constitution, and section 94.900 of section A of this
5 act shall be in full force and effect upon its passage and approval.

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