

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 735, Page 1,
2 Section A, Line 3, by inserting after all of 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 subsection 2 of section 163.021, less all
16 adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate
17 does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum
18 tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political
19 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 this section. The term "tax revenue" shall not include any
26 receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these
27 terms are defined in section 386.020, which were assessed by the assessor of a county or city in the
28 previous year but are assessed by the state tax commission in the current year. All school districts
29 and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax
30 revenue an amount equivalent to that by which they reduced property tax levies as a result of sales

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1 tax pursuant to section 67.505 and section 164.013 [~~or as excess home dock city or county fees as~~
2 ~~provided in subsection 4 of section 313.820~~] in the immediately preceding fiscal year but not
3 including any amount calculated to adjust for prior years. For purposes of political subdivisions
4 which were authorized to levy a tax in the prior year but which did not levy such tax or levied a
5 reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by
6 law, shall mean the revenues equal to the amount that would have been available if the voluntary
7 rate reduction had not been made.

8 2. (1) Whenever changes in assessed valuation are entered in the assessor's books for any
9 personal property, in the aggregate, or for any subclass of real property as such subclasses are
10 established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016,
11 the county clerk in all counties and the assessor of St. Louis City shall notify each political
12 subdivision wholly or partially within the county or St. Louis City of the change in valuation of each
13 subclass of real property, individually, and personal property, in the aggregate, exclusive of new
14 construction and improvements. All political subdivisions shall immediately revise the applicable
15 rates of levy for each purpose for each subclass of real property, individually, and personal property,
16 in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable
17 property, exclusive of new construction and improvements, substantially the same amount of tax
18 revenue as was produced in the previous year for each subclass of real property, individually, and
19 personal property, in the aggregate, except that the rate shall not exceed the greater of the most
20 recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2)
21 of subsection 5 of this section.

22 (2) Any political subdivision that has received approval from voters for a tax increase after
23 August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue as the
24 amount of revenue that would have been derived by applying the voter-approved increased tax rate
25 ceiling to the total assessed valuation of the political subdivision as most recently certified by the
26 city or county clerk on or before the date of the election in which such increase is approved,
27 increased by the percentage increase in the consumer price index, as provided by law, except that the
28 rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-
29 approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such tax revenue
30 shall not include any receipts from ad valorem levies on any real property which was assessed by
31 the assessor of a county or city in such previous year but is assessed by the assessor of a county or
32 city in the current year in a different subclass of real property.

33 (3) Where the taxing authority is a school district for the purposes of revising the applicable
34 rates of levy for each subclass of real property, the tax revenues from state-assessed railroad and
35 utility property shall be apportioned and attributed to each subclass of real property based on the
36 percentage of the total assessed valuation of the county that each subclass of real property represents
37 in the current taxable year.

38 (4) As provided in Section 22 of Article X of the constitution, a political subdivision may
39 also revise each levy to allow for inflationary assessment growth occurring within the political

1 subdivision. The inflationary growth factor for any such subclass of real property or personal
2 property shall be limited to the actual assessment growth in such subclass or class, exclusive of new
3 construction and improvements, and exclusive of the assessed value on any real property which was
4 assessed by the assessor of a county or city in the current year in a different subclass of real
5 property, but not to exceed the ~~[consumer price index or five percent, whichever is]~~ lower of the
6 following:

7 (a) The consumer price index; or

8 (b) The following percentage:

9 a. For revisions under this subsection occurring before January 1, 2025, five percent; or

10 b. For revisions under this subsection occurring on or after January 1, 2025, three percent.

11 (5) Should the tax revenue of a political subdivision from the various tax rates determined in
12 this subsection be different than the tax revenue that would have been determined from a single tax
13 rate as calculated pursuant to the method of calculation in this subsection prior to January 1, 2003,
14 then the political subdivision shall revise the tax rates of those subclasses of real property,
15 individually, and/or personal property, in the aggregate, in which there is a tax rate reduction,
16 pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such
17 difference and shall be apportioned among such subclasses of real property, individually, and/or
18 personal property, in the aggregate, based on the relative assessed valuation of the class or
19 subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each class
20 or subclass shall be made by computing the percentage of current year adjusted assessed valuation
21 of each class or subclass with a tax rate reduction to the total current year adjusted assessed
22 valuation of the class or subclasses with a tax rate reduction, multiplying the resulting percentages
23 by the revenue difference between the single rate calculation and the calculations pursuant to this
24 subsection and dividing by the respective adjusted current year assessed valuation of each class or
25 subclass to determine the adjustment to the rate to be levied upon each class or subclass of property.
26 The adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in
27 the manner provided in this subsection, and added to the initial rate computed for each class or
28 subclass of property.

29 (6) For school districts that levy separate tax rates on each subclass of real property and
30 personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented
31 separate stated tax rates to be applied to the different subclasses of real property and personal
32 property in the aggregate, or increases the separate rates that may be levied on the different
33 subclasses of real property and personal property in the aggregate by different amounts, the tax rate
34 that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner
35 provided under subdivision (1) of subsection 6 of this section.

36 (7) Notwithstanding any provision of this subsection to the contrary, no revision to the rate
37 of levy for personal property shall cause such levy to increase over the levy for personal property
38 from the prior year.

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

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

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

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

30 4. (1) In order to implement the provisions of this section and Section 22 of Article X of the
31 Constitution of Missouri, the term improvements shall apply to both real and personal property. In
32 order to determine the value of new construction and improvements, each county assessor shall
33 maintain a record of real property valuations in such a manner as to identify each year the increase
34 in valuation for each political subdivision in the county as a result of new construction and
35 improvements. The value of new construction and improvements shall include the additional
36 assessed value of all improvements or additions to real property which were begun after and were
37 not part of the prior year's assessment, except that the additional assessed value of all improvements
38 or additions to real property which had been totally or partially exempt from ad valorem taxes
39 pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be

1 included in the value of new construction and improvements when the property becomes totally or
2 partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in
3 valuation of personal property for the current year over that of the previous year is the equivalent of
4 the new construction and improvements factor for personal property. Notwithstanding any opt-out
5 implemented pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of
6 new construction and improvements and the amount of assessed value on any real property which
7 was assessed by the assessor of a county or city in such previous year but is assessed by the assessor
8 of a county or city in the current year in a different subclass of real property separately for each of
9 the three subclasses of real property for each political subdivision to the county clerk in order that
10 political subdivisions shall have this information for the purpose of calculating tax rates pursuant to
11 this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax
12 commission shall certify each year to each county clerk the increase in the general price level as
13 measured by the Consumer Price Index for All Urban Consumers for the United States, or its
14 successor publications, as defined and officially reported by the United States Department of Labor,
15 or its successor agency. The state tax commission shall certify the increase in such index on the
16 latest twelve-month basis available on February first of each year over the immediately preceding
17 prior twelve-month period in order that political subdivisions shall have this information available in
18 setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri.
19 For purposes of implementing the provisions of this section and Section 22 of Article X of the
20 Missouri Constitution, the term "property" means all taxable property, including state-assessed
21 property.

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

36 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section
37 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall
38 be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more

1 than a simple majority pursuant to any provision of law or the constitution, the tax rate increase
2 must receive approval by at least the majority required.

3 (2) When voters approve an increase in the tax rate, the amount of the increase shall be
4 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not
5 exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for
6 approval rather than describing the amount of increase in the question, the stated tax rate approved
7 shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling.
8 The increased tax rate ceiling as approved shall be adjusted such that when applied to the current
9 total assessed valuation of the political subdivision, excluding new construction and improvements
10 since the date of the election approving such increase, the revenue derived from the adjusted tax rate
11 ceiling is equal to the sum of: the amount of revenue which would have been derived by applying
12 the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision,
13 as most recently certified by the city or county clerk on or before the date of the election in which
14 such increase is approved, increased by the percentage increase in the consumer price index, as
15 provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the
16 political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax
17 rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed
18 in this section to yield the sum of: the amount of revenue that would be derived by applying such
19 voter-approved increased rate to the total assessed valuation, as most recently certified by the city or
20 county clerk on or before the date of the election in which such increase was approved, increased by
21 the percentage increase in the consumer price index, as provided by law, from the date of the
22 election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

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

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

1 6. (1) For the purposes of calculating state aid for public schools pursuant to section
2 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a
3 blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first
4 determining the total tax revenue of the property within the jurisdiction of the taxing authority,
5 which amount shall be equal to the sum of the products of multiplying the assessed valuation of
6 each class and subclass of property by the corresponding tax rate for such class or subclass, then
7 dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then
8 multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school
9 district, such blended rate shall also be used by such school district for calculating revenue from
10 state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax
11 rate by purpose.

12 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the
13 county commission in the county or counties where the tax rate applies of its tax rate ceiling and its
14 proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the
15 nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-
16 hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round
17 up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-
18 hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a
19 fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent.
20 Any taxing authority levying a property tax rate shall provide data, in such form as shall be
21 prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All
22 forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not
23 be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the
24 calculation of rates pursuant to this section which do not currently exist in rule form or that have
25 been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for
26 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,
27 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for
28 annual debt service requirements will be prima facie valid if, after making the payment for which
29 the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following
30 year's payments. The county clerk shall keep on file and available for public inspection all such
31 information for a period of three years. The clerk shall, within three days of receipt, forward a copy
32 of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data
33 to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such
34 information and return to the county clerk his or her findings as to compliance of the tax rate ceiling
35 with this section and as to compliance of any proposed tax rate for debt service with Missouri law.
36 If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri
37 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may
38 request a taxing authority to submit documentation supporting such taxing authority's proposed tax
39 rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing

1 authority and shall file a copy of the findings with the information received from the taxing
2 authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk
3 of the state auditor's findings and any request for supporting documentation to accept or reject in
4 writing the rate change certified by the state auditor and to submit all requested information to the
5 state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted
6 to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate
7 change certified by the state auditor and the state auditor does not receive supporting information
8 which justifies the taxing authority's original or any subsequent proposed tax rate, then the state
9 auditor shall refer the perceived violations of such taxing authority to the attorney general's office
10 and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from
11 levying a violative tax rate.

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

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

19 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with
20 the provisions of this section, the taxpayer may make a formal complaint with the prosecuting
21 attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the
22 filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an
23 action as representative of a class of all taxpayers within a taxing authority if the class is so
24 numerous that joinder of all members is impracticable, if there are questions of law or fact common
25 to the class, if the claims or defenses of the representative parties are typical of the claims or
26 defenses of the class, and if the representative parties will fairly and adequately protect the interests
27 of the class. In any class action maintained pursuant to this section, the court may direct to the
28 members of the class a notice to be published at least once each week for four consecutive weeks in
29 a newspaper of general circulation published in the county where the civil action is commenced and
30 in other counties within the jurisdiction of a taxing authority. The notice shall advise each member
31 that the court will exclude him or her from the class if he or she so requests by a specified date, that
32 the judgment, whether favorable or not, will include all members who do not request exclusion, and
33 that any member who does not request exclusion may, if he or she desires, enter an appearance. In
34 any class action brought pursuant to this section, the court, in addition to the relief requested, shall
35 assess against the taxing authority found to be in violation of this section the reasonable costs of
36 bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be
37 awarded any attorney or association of attorneys who receive public funds from any source for their
38 services. Any action brought pursuant to this section shall be set for hearing as soon as practicable
39 after the cause is at issue.

1 9. If in any action, including a class action, the court issues an order requiring a taxing
2 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
3 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
4 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
5 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or
6 otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced
7 by the original levy and the amount produced by the revised levy. The township or county collector
8 of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The
9 taxing authority refusing to revise the rate of levy as provided in this section shall make available to
10 the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall
11 receive any interest on any money erroneously paid by him or her pursuant to this subsection.
12 Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority
13 to refund any tax erroneously paid prior to or during the third tax year preceding the current tax
14 year.

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

22
23 Further amend said bill by amending the title, enacting clause, and intersectional references
24 accordingly.