SECOND REGULAR SESSION

HOUSE BILL NO. 2795

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SANDER.

AN ACT

To repeal section 94.900, RSMo, and to enact in lieu thereof one new section relating to city sales taxes for public safety purposes.

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

        Section A. Section 94.900, RSMo, is repealed and one new section enacted in lieu
2 thereof, to be known as section 94.900, 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;
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;
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 inhabitants
31 and partially located in a county with more than two hundred thirty thousand but fewer than
32 two hundred sixty thousand inhabitants;
33   (l) Any city with more than four thousand nine hundred but fewer than five thousand
34 six hundred inhabitants and located in a county with more than thirty thousand but fewer than
35 thirty-five thousand inhabitants; **[or]**
36   (m) Any city with more than twelve thousand five hundred but fewer than fourteen
37 thousand inhabitants and that is the county seat of a county with more than twenty-two
38 thousand but fewer than twenty-five thousand inhabitants**; or**
39   **(n) Any city with more than two thousand one hundred fifty but fewer than two**
40 **thousand four hundred inhabitants and located in a county with more than seven**
41 **hundred thousand but fewer than eight hundred thousand inhabitants**.
42   (2) The governing body of any city listed in subdivision (1) of this subsection is
43 hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half
44 of one percent on all retail sales made in such city which are subject to taxation under the
45 provisions of sections 144.010 to 144.525 for the purpose of improving the public safety for
46 such city, which shall be limited to expenditures on equipment, salaries and benefits, and
47 facilities for police, fire and emergency medical providers. The tax authorized by this section
48 shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or
49 order imposing a sales tax pursuant to the provisions of this section shall be effective unless
50 the governing body of the city submits to the voters of the city, at a county or state general,
51 primary or special election, a proposal to authorize the governing body of the city to impose a
52 tax.

53   2. If the proposal submitted involves only authorization to impose the tax authorized
54 by this section, the ballot of submission shall contain, but need not be limited to, the
55 following language:
56   Shall the city of _____ (city's name) impose a citywide sales
57   tax of _____ (insert amount) for the purpose of improving
58   the public safety of the city?
59   ☐ YES   ☐ NO
60   If you are in favor of the question, place an "X" in the box
61   opposite "YES". If you are opposed to the question, place an "X"
62   in the box opposite "NO".
63
64 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
65 favor of the proposal submitted pursuant to this subsection, then the ordinance or order and
66 any amendments thereto shall be in effect on the first day of the second calendar quarter after
67 the director of revenue receives notification of adoption of the local sales tax. If a proposal
68 receives less than the required majority, then the governing body of the city shall have no
69 power to impose the sales tax herein authorized unless and until the governing body of the
70 city shall again have submitted another proposal to authorize the governing body of the city to
71 impose the sales tax authorized by this section and such proposal is approved by the required
72 majority of the qualified voters voting thereon. However, in no event shall a proposal
73 pursuant to this section be submitted to the voters sooner than twelve months from the date of
74 the last proposal pursuant to this section.
75   3. All revenue received by a city from the tax authorized under the provisions of this
76 section shall be deposited in a special trust fund and shall be used solely for improving the
77 public safety for such city for so long as the tax shall remain in effect.
78   4. Once the tax authorized by this section is abolished or is terminated by any means,
79 all funds remaining in the special trust fund shall be used solely for improving the public
80 safety for the city. Any funds in such special trust fund which are not needed for current
81 expenditures may be invested by the governing body in accordance with applicable laws
82 relating to the investment of other city funds.
83   5. All sales taxes collected by the director of the department of revenue under this
84 section on behalf of any city, less one percent for cost of collection which shall be deposited
85 in the state's general revenue fund after payment of premiums for surety bonds as provided in
86 section 32.087, shall be deposited in a special trust fund, which is hereby created, to be
87 known as the "City Public Safety Sales Tax Trust Fund". The moneys in the trust fund shall
88 not be deemed to be state funds and shall not be commingled with any funds of the state. The
89 provisions of section 33.080 to the contrary notwithstanding, money in this fund shall not be

90   transferred and placed to the credit of the general revenue fund. The director of the
91   department of revenue shall keep accurate records of the amount of money in the trust and
92   which was collected in each city imposing a sales tax pursuant to this section, and the records
93   shall be open to the inspection of officers of the city and the public. Not later than the tenth
94   day of each month the director of the department of revenue shall distribute all moneys
95   deposited in the trust fund during the preceding month to the city which levied the tax; such
96   funds shall be deposited with the city treasurer of each such city, and all expenditures of funds
97   arising from the trust fund shall be by an appropriation act to be enacted by the governing
98   body of each such city. Expenditures may be made from the fund for any functions
99   authorized in the ordinance or order adopted by the governing body submitting the tax to the
100 voters.
101   6. The director of the department of revenue may make refunds from the amounts in
102 the trust fund and credited to any city for erroneous payments and overpayments made, and
103 may redeem dishonored checks and drafts deposited to the credit of such cities. If any city
104 abolishes the tax, the city shall notify the director of the department of revenue of the action at
105 least ninety days prior to the effective date of the repeal and the director of the department of
106 revenue may order retention in the trust fund, for a period of one year, of two percent of the
107 amount collected after receipt of such notice to cover possible refunds or overpayment of the
108 tax and to redeem dishonored checks and drafts deposited to the credit of such accounts.
109 After one year has elapsed after the effective date of abolition of the tax in such city, the
110 director of the department of revenue shall remit the balance in the account to the city and
111 close the account of that city. The director of the department of revenue shall notify each city
112 of each instance of any amount refunded or any check redeemed from receipts due the city.
113   7. Except as modified in this section, all provisions of sections 32.085 and 32.087
114 shall apply to the tax imposed pursuant to this section.
115   8. If any city in subsection 1 of this section enacts the tax authorized in this section,
116 the city shall budget an amount to public safety that is no less than the amount budgeted in the
117 year immediately preceding the enactment of the tax. The revenue from the tax shall
118 supplement and not replace amounts budgeted by the city.

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