

FIRST REGULAR SESSION

HOUSE BILL NO. 999

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOWLER.

1429H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 138, RSMo, by adding thereto one new section relating to the state tax commission.

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

Section A. Chapter 138, RSMo, is amended by adding thereto one new section, to be
2 known as section 138.425, to read as follows:

**138.425. 1. Any order issued by the commission requiring a county to modify or
2 equalize assessed valuations that would result in a reduction of the county's final
3 valuations to comply with state law shall allow a county a minimum of ninety days for
4 compliance with such order. The order shall state the deadline for compliance in the
5 order, but the commission may extend the deadline in a separate order upon its
6 approval of a county's request for an extension.**

**7 2. If the county fails to comply after the lapse of the time period allotted under
8 subsection 1 of this section, the commission may direct the director of the department of
9 revenue to withhold moneys the county would otherwise be entitled to from local sales
10 tax as defined under section 32.085 until a determination is made by the commission
11 that the noncompliant county has come into compliance with the commission's order.**

**12 3. The amount of local sales tax proceeds that may be withheld shall be in an
13 amount equal to one hundred ten percent of the total dollar amount that the commission
14 has calculated to be improperly assessed in excess of the statutorily allowed amounts as
15 a result of noncompliance with the law. The commission shall issue a notice to the
16 county of the withholding due to failure to comply with the order within the prescribed**

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.

17 time period and shall include information for the county to cure the noncompliance in
18 order to release the withheld moneys.

19 4. If the noncompliant county thereafter becomes compliant in accordance with
20 the original order issued, as determined by the commission after the county remits
21 notice of its compliance and any additional documentation or information required for
22 review and verification by the commission, the commission shall notify the department
23 of revenue to release and remit the previously withheld local sales tax proceeds to the
24 county. A county is not entitled to interest on the withheld funds released under the
25 provisions of this subsection.

26 5. A county failing to comply within the prescribed time period resulting in the
27 withholding of local sales tax proceeds under this section may seek judicial review of the
28 determination of failure to comply made by the commission under Article V, Section 18
29 of the Constitution of Missouri within thirty days of receipt of the notice.

30 6. In addition to other available remedies, if the court determines that the
31 commission's determination as to the amount of local sales tax proceeds withheld or
32 failure to comply is in error, the court shall return the amount in error to the county and
33 the judgment, when entered, shall include interest on the amounts wrongfully withheld.
34 A county is not entitled to interest on the amounts withheld if a court upholds the
35 commission's determination.

36 7. The commission may promulgate all necessary rules and regulations for the
37 administration of this section. Any rule or portion of a rule, as that term is defined in
38 section 536.010, that is created under the authority delegated in this section shall
39 become effective only if it complies with and is subject to all of the provisions of chapter
40 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable
41 and if any of the powers vested with the general assembly pursuant to chapter 536 to
42 review, to delay the effective date, or to disapprove and annul a rule are subsequently
43 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
44 adopted after August 28, 2025, shall be invalid and void.

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