

FIRST REGULAR SESSION
[PERFECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 999
103RD GENERAL ASSEMBLY

1429H.02P

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 known as section 138.425, to read as follows:

- 138.425. 1. Any order issued by the commission requiring a county to modify or equalize assessed valuations that would result in a reduction of the county's final valuations to comply with state law shall allow a county a maximum of sixty days for compliance with such order. The order shall state the deadline for compliance in the order, but the commission may extend the deadline one time for an additional period of thirty days in a separate order upon its approval of a county's request for an extension. The total time allowed for compliance with such order shall not exceed ninety days.**
- 2. If the county fails to comply after the lapse of the time period allotted under subsection 1 of this section, the commission may direct the director of the department of revenue to withhold up to one hundred percent of the moneys the county would otherwise be entitled to from local sales tax as defined under section 32.085 and local use tax until a determination is made by the commission that the noncompliant county has come into compliance with the commission's order.**
- 3. The commission shall issue a notice to the county of the withholding due to failure to comply with the order within the prescribed time period and shall include information for the county to cure the noncompliance in order to release the withheld moneys.**

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.

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

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

29 **6. In addition to other available remedies, if the court determines that the**
30 **commission's determination as to the amount of local sales and use tax proceeds**
31 **withheld or failure to comply is in error, the court shall return the amount in error to**
32 **the county and the judgment, when entered, shall include interest on the amounts**
33 **wrongfully withheld. A county is not entitled to interest on the amounts withheld if a**
34 **court upholds the commission's determination. Any such interest awarded shall be paid**
35 **from the state legal expense fund as provided under section 105.711.**

36 **7. Local sales and use taxes withheld by the director of the department of**
37 **revenue as provided under this section shall be deposited in a special trust fund, which is**
38 **hereby created, to be known as the "County Assessment Noncompliance Trust Fund".**
39 **The moneys in the county assessment noncompliance trust fund shall not be deemed to**
40 **be state funds and shall not be commingled with any funds of the state. The director of**
41 **revenue shall keep accurate records of the amount of money in the trust fund withheld**
42 **from any county under this section, and the records shall be open to the inspection of**
43 **officers of the county and the public.**

44 **8. The commission may promulgate all necessary rules and regulations for the**
45 **administration of this section. Any rule or portion of a rule, as that term is defined in**
46 **section 536.010, that is created under the authority delegated in this section shall**
47 **become effective only if it complies with and is subject to all of the provisions of chapter**
48 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
49 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
50 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
51 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
52 **adopted after August 28, 2025, shall be invalid and void.**