

## HCS HB 532 -- POLITICAL SUBDIVISIONS

SPONSOR: Kelley

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Local Government by a vote of 13 to 1.

The following is a summary of the House Committee Substitute for HB 532.

### BASE SALARY SCHEDULES FOR THIRD CLASS COUNTIES

This bill provides that the salary commission of any third class county can amend the base salary schedules as provided by law for the computation of salaries for county officials to include assessed valuation factors in excess of \$300 million dollars; provided that the percentage of any adjustment is equal for all county officials in that county (Section 50.327, RSMo).

### PUBLISHING OF COUNTY FINANCIAL STATEMENTS

This bill changes the date counties must prepare and publish their financial statements from the first Monday in March to June 30th of each year. Additionally, the county treasurer will not pay the county commission until notice is received from the State Auditor that the county's financial statement has been published in a newspaper after the first day of July.

The bill also requires second, third, and fourth class counties to produce and publish a county annual financial statement in the same manner as counties of the first classification. The financial statement must include the name, office, and current gross annual salary of each elected or appointed county official.

The county clerk or other county officer preparing the financial statement must provide an electronic copy of the data used to create the financial statement without charge to the newspaper requesting the data.

Finally, the newspaper publishing the financial statement cannot charge more than its regular local classified advertising rate as published 30 days before the publication of the financial statement (Sections 50.815, 50.820, 50.800, & 50.810).

### COUNTY AUDITORS

This bill provides that, upon request, a county auditor in certain counties must have access to and the ability to audit and examine

claims of every kind and character for which a county officer has a fiduciary duty (Section 55.160).

#### BOONE COUNTY SHERIFF

Under current law, first and second class county sheriffs must receive salaries equal to 80% of the compensation of associate circuit judges of the county. This bill excludes sheriffs in Boone County (Section 57.317).

#### COUNTY CORONERS

The bill provides that the salary of a coroner in a noncharter county can be set at a base schedule as provided by law subject to an increase up to \$14,000 upon the majority approval of the salary commission.

Additionally, under current law, when the office of the sheriff is vacant, the county coroner is authorized to perform all the duties of the sheriff, until another sheriff is appointed.

This bill provides that if the coroner becomes acting sheriff and the sheriff is no longer receiving the sheriff's salary, the coroner can be paid, in addition to the coroner's salary, the difference between the salaries of the sheriff and coroner so that the coroner receives the equivalent of the sheriff's salary while serving as acting sheriff. (Sections 50.327, 58.095, & 58.200)

#### COUNTY PLANNING BOARD HEARING NOTICES

Current law requires county planning boards to post notice of a hearing prior to the adoption of a master plan, with the notice being posted in at least two conspicuous places in each township. This bill modifies the requirement to require the posting on the county's website (Section 64.231).

#### HOSPITAL SALES TAX

This bill authorizes Bates County to impose a sales tax not to exceed one percent for the purposes of supporting the operations of hospital services in the county (Section 67.597).

#### RECREATION SALES TAX

Current law authorizes the counties of Bollinger and Cape Girardeau to jointly impose a sales tax for the purpose of the financing, acquisition, construction, operation, and maintenance of recreational projects and programs. This bill allows these

counties to separately levy the tax (Section 67.782, 67.783, and 67.785).

#### TRANSIENT GUEST TAXES

The bill adds the cities of Weldon Spring and Cottleville to the list of cities authorized to impose a transient guest tax at a rate not to exceed five percent for the purpose of the promotion of tourism (Section 67.1003).

This bill authorizes the city of Knob Noster to impose a transient guest tax at a rate not to exceed six percent for the purpose of promoting tourism, promoting economic development, and promoting the retention and growth of any military base near the city (Section 67.1009).

The bill authorizes the cities of Harrisonville and Jackson to impose a transient guest tax at a rate not to exceed six percent for the purpose of the promotion of tourism (Section 67.1013).

This bill adds the county of New Madrid to the list of counties authorized to impose a transient guest tax at a rate not to exceed five percent for the purpose of the promotion of tourism (Section 67.1018).

The bill adds the cities of Richmond, Farmington, Lake Ozark, and Lexington to the list of cities authorized to impose a transient guest tax at a rate not to exceed five percent for the purpose of the promotion of tourism (Section 67.1360).

Current law authorizes certain cities to impose a transient guest tax for the purpose of funding the promotion, operation, and development of tourism. This bill also allows the proceeds from such tax to be used for the operating costs of a community center (Section 67.1366).

The bill adds the counties of Perry and Ste. Genevieve to the list of counties authorized to impose a transient guest tax at a rate not to exceed six percent for the purpose of the promotion of tourism (Section 67.1367).

This bill authorizes the city of Wentzville to impose a transient guest tax at a rate not to exceed five percent for general revenue purposes (Section 94.961).

The bill authorizes the Village of Arrow rock to impose, upon voter approval, a transient guest tax of not more than six percent per occupied lodging establishment room per night or more than six percent per rental term of such lodging facility for economic

development purposes and the construction and maintenance of infrastructure improvements (Section 94.1016).

#### THEATER, CULTURAL ARTS, AND ENTERTAINMENT DISTRICTS

Under current law, certain counties can establish a theater, cultural arts, and entertainment district. This bill adds counties that border the Lake of the Ozarks to the list of counties authorized to establish such districts (Section 67.2500).

#### MISSOURI LAGERS

This bill repeals the provision prohibiting membership in LAGERS for employees where continuous employment to the time of retirement eligibility will leave the employee with less than the minimum required number of years of credited service.

The bill provides that the cost of living adjustment for LAGERS must be a measure of the Consumer Price Index as determined by the U.S. Department of Labor and adopted by the Board of LAGERS, instead of the Consumer Price Index for Urban Wage Earners and Clerical Workers. In addition, the bill repeals references to obsolete statutory provisions.

If a member's membership terminates, any accumulated contributions unclaimed by the member within 10 years, instead of three years, must be transferred to the investment income-expense fund.

The bill provides that the Board of LAGERS can deliberate or make decisions on investments or other financial matters in a closed meeting if the disclosure of such deliberations or decisions would jeopardize the ability to implement a decision or to achieve investment objectives.

In addition, this bill repeals the provision providing that the investment counselor of the Board be registered as an investment advisor with the U.S. Securities and Exchange Commission.

Further, this bill repeals the limitation that no more than one-tenth of the funds and moneys of the system be invested in real estate.

The Board can establish and maintain a local government employee retirement systems of Missouri investment fund account in which investments and reinvestments of LAGERS can be placed and be available for investment purposes. The funds can be combined with funds of any retirement plan administered by LAGERS and any retirement plan established for providing benefits to employees of LAGERS, but the funds must be accounted for separately (Sections

70.630, 70.655, 70.680, 70.690, 70.745, 70.746, 70.747, and 70.748).

#### RESIDENCY REQUIREMENTS FOR CERTAIN BOARDS

This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized, appoint a member of a nonelected board or commission, and if members of the board or commission are required to be residents of the city, satisfy the residency requirement if the person appointed owns real property or a business in the city.

This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized to appoint a member of a nonelected board that manages a municipal utility, and if members of the board are required to be residents of the city, satisfy the residency requirement if the:

- (1) Board cannot set utility rates or issue bonds;
- (2) Appointee resides within five miles of the city limits;
- (3) Appointee owns real property or a business in the city;
- (4) Appointee is a customer of the utility managed by the board;  
and
- (5) Appointee has no pecuniary interest in any utility.

The provisions of this section do not apply to any city within St. Louis County (Section 79.235).

#### ST. LOUIS POLICE RETIREMENT SYSTEM

This bill modifies the current definition of "earnable compensation" for the St. Louis Police Retirement System. The compensation must not include any funds received by a member through a judgment or settlement of a legal action if the funds are intended to retroactively compensate for a salary differential between the member's actual rank and the rank the member claims he or she should have received (Section 86.200).

#### ST. LOUIS CITY FIREFIGHTERS' RETIREMENT SYSTEM

This bill specifies that the Board of Trustees of the Firefighter's Retirement System of St. Louis will not be prevented from simultaneously acting as the trustees of any other pension plan that provides retirement, disability, and death benefits for firefighters employed by St. Louis City.

The Board can establish rules and regulations for the administration of the funds and for the transaction of such other pension plan's business.

The Board must maintain separate records of all proceedings of such other pension plan.

Furthermore, this bill specifies that the Board of Trustees will have the authority and discretion to invest and reinvest funds of the other pension plan in property of any kind, real or personal. The Board can choose to invest the funds of the Firefighter's Retirement System of St. Louis and the funds of the other pension plan in the same investments if the amounts invested and the gains, profits, or losses are accounted for separately.

No benefits due from the other pension plan will be paid from the funds of the Firefighter's Retirement System.

Additionally, this bill provides that no expenses incurred by the Board in the administration of any other pension plan or in the investment of any other pension plan's funds will be paid by the funds of the Firefighter's Retirement System (Sections 87.140, 87.145, 87.155, 87.260, and 87.350).

#### CAPITAL IMPROVEMENTS SALES TAX

Current law authorizes the city of Lamar Heights to impose a transient guest tax at a rate not to exceed six percent and a food sales tax at a rate not to exceed two percent for the purpose of funding the construction, maintenance, and operation of capital improvements. This bill allows these taxes to be used for emergency services and public safety as well (Section 94.838).

#### PUBLIC SAFETY SALES TAX

The bill adds the cities of Joplin, Hannibal, Moberly, Richmond, Warrensburg, Lexington, and Lake Lotawana to the list of cities authorized to impose a sales tax at a rate of up to 0.5% for the purposes of improving public safety (Section 94.900).

#### COUNTY FINANCIAL STATEMENTS

Under current law, any transportation development district having gross revenues of less than \$5,000 in a fiscal year for which an annual financial statement was not timely filed to the State Auditor is not subject to a fine.

This bill provides that any political subdivision that has gross revenues of less than \$5,000 or that has not levied or collected sales or use taxes in the fiscal year for which the annual financial statement was not timely filed is not be subject to a fine.

Additionally, if failure to timely submit the annual financial statement is the result of fraud or other illegal conduct by an employee or officer of the political subdivision, the political subdivision will not be subject to a fine if the statement is filed within 30 days of discovery of the fraud or illegal conduct.

If the political subdivision has an outstanding balance for fines at the time it files its first annual financial statement after August 28, 2025, the Director of Revenue must make a one-time downward adjustment to the outstanding balance in an amount that reduces the outstanding balance by no less than 90%. If the Director of Revenue determines a fine is uncollectable, the Director will have the authority to make a one-time downward adjustment to any outstanding penalty (Section 105.145).

#### FILING DATES FOR DECLARATIONS OF CANDIDACY

Currently, the filing time for declarations of candidacy for offices in political subdivisions or special districts not otherwise specified in law or charter is from the 17th Tuesday prior to the election through the 14th Tuesday prior to the election.

This bill moves the filing time by one week, from the 16th Tuesday prior to the election to the 13th Tuesday prior to the election. The bill also provides that if the 13th Tuesday prior to the election is a State or Federal holiday, the closing filing date must be the next day that is not a State or Federal holiday (Section 115.127).

#### AUCTIONS FOR LAND WITH DELINQUENT PROPERTY TAXES

This bill allows a county collector to hold an auction of lands with delinquent property taxes through electronic media at the same time as said auction is held in-person (Sections 140.170 and 140.190).

#### RETIREMENT BENEFITS FOR CERTAIN TEACHER RETIREMENT SYSTEMS

Currently, for calendar years after 2018, the percentage rate of employer contribution payable by the St. Louis Public School District that has established a retirement system for providing retirement benefits to the employees, decreases to one-half of one

percent annually until calendar year 2032, when the rate of contribution payable equals nine percent of the total compensation of all members employed by that employer. For calendar years after 2032, the rate of contribution payable by each employer equals nine percent.

Under this bill, the percentage rate of contribution decreases one-half of one percent annually until calendar year 2025, when the rate of contribution payable by each employer equals 12.5% of the total compensation of all members employed by that employer with an exception that on the effective date of the bill, the rate of contribution payable by each employer increases from nine percent to 14% of the total compensation of all members employed by that employer (Section 169.490).

#### REGIONAL JAIL DISTRICTS

Under current law, any two or more contiguous counties can establish a regional jail district.

This bill provides that if an existing regional jail district already levies a sales tax and another county joins the district, the county joining with the district will not be effective until the voters of the county have approved the sales tax. If the voters do not approve the sales tax, the county attempting to join the district will not be permitted to join.

The bill also adds that a district can equip and maintain jail facilities, as well as lease its properties. The regional jail commission will have the power to acquire, construct, repair, alter, improve, and extend a regional jail and it can contract with governmental or private entities. Commissioners must serve until their successors have assumed office.

Under current law, any regional jail district can impose a one-eighth, one-fourth, three-eighths, or one-half of one percent sales tax. This bill changes the amount to up to one percent. The bill also repeals the provision that the sales tax can be used for court facilities in the regional jail district.

This bill also provides that expenditures paid for by the regional jail district sales tax trust fund can be made for any of the district's authorized purposes.

These provisions repeal the sunset provision (Section 221.400, 221.402, 221.405, 221.407, & 221.410).

#### REGIONAL PLANNING COMMISSIONS



Under current law, State funds for the East-West Gateway Coordinating Council and for the Mid-America Regional Council are not to exceed \$65,000 and State funds for other regional planning commissions are not to exceed \$25,000. This bill changes the sums to \$130,000 and \$50,000.

The bill removes the regional planning commissions of Show-Me, Missouri Valley, Ozark Gateway, ABCD, and Lakes Country and adds Harry S. Truman, MO-Kan, Pioneer Trails, and Southwest Missouri.

This bill provides that beginning July 1, 2027, the maximum grant amount for each regional planning commission will be adjusted with the consumer price index (Section 251.034).

#### ENTERTAINMENT DISTRICT ALCOHOL LICENSES

The bill provides that the Supervisor of Alcohol and Tobacco Control can issue an entertainment district special license to sell intoxicating liquor by the drink for retail consumption dispensed from one or more portable bars within the common areas of the entertainment district, as such terms are defined in the bill, until 3:00 a.m. on Mondays through Saturdays, and from 6:00 a.m. on Sundays until 1:30 a.m. on Mondays.

The bill defines an entertainment district as any area located in any county that borders on or that contains part of a lake with not less than 1,000 miles of shoreline and that is located in the city of Lake Ozark and contains a combination of entertainment venues, bars, nightclubs, and restaurants (Section 311.094).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPONENTS:** Supporters of the bill testified that the local governments or associations they represent would benefit from the provisions drafted specifically to apply to those areas or groups.

Testifying in person for the bill were Representative Kelley; Missouri Press Association; Missouri Association of Municipal Utilities; Missouri Association of Public Administrators; Missouri Association of County Clerks and Election Authorities; Municipal League of Metro St. Louis; Missouri County Collectors Association; Douglas Lawson, City of Joplin; LJ Hart and Company.

**OPPONENTS:** Those who oppose the bill say it has too many subjects to withstand Constitutional scrutiny and has a large fiscal note.

Testifying in person against the bill were Missouri Association of Convention and Visitors' Bureaus; Arnie Dienoff.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.