

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2379
103RD GENERAL ASSEMBLY

5899H.03C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 67.547, RSMo, and to enact in lieu thereof two new sections relating to a sales tax for early childhood services.

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

Section A. Section 67.547, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 67.547 and 67.5420, to read as follows:

67.547. 1. In addition to the tax authorized by section 67.505, any county as defined in section 67.750 may, by a majority vote of its governing body, impose an additional county sales tax on all sales which are subject to taxation under the provisions of sections 144.010 to 144.525. The tax authorized by this section shall be in addition to any and all other sales tax allowed by law; except that no ordinance or order imposing a sales tax under the provisions of this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the governing body of the county to impose such tax.

2. The ballot of submission shall contain, but need not be limited to the following language:

Shall the county of _____ (county's name) impose a countywide sales tax of _____ (insert rate) percent for the purpose of _____ (insert purpose)?

YES

NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

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.

19 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
20 favor of the proposal, then the ordinance or order and any amendments thereto shall be in
21 effect. If a majority of the votes cast by the qualified voters voting are opposed to the
22 proposal, then the governing body of the county shall have no power to impose the sales tax
23 as herein authorized unless and until the governing body of the county submits another
24 proposal to authorize the governing body of the county to impose the sales tax under the
25 provisions of this section and such proposal is approved by a majority of the qualified voters
26 voting thereon. A county shall not submit to the voters a proposed sales tax under this section
27 for a period of two years from the date of an election in which the county previously
28 submitted to the voters a proposed sales tax under this section, regardless of whether the
29 initial proposed sales tax was approved or disapproved by the voters. The revenue collected
30 from the sales tax authorized under this section shall only be used for the purpose approved
31 by voters of the county.

32 3. (1) The sales tax may be imposed at a rate of one-eighth of one percent, one-fourth
33 of one percent, three-eighths of one percent, or one-half of one percent on the receipts from
34 the sale at retail of all tangible personal property or taxable services at retail within any
35 county adopting such tax if such property and services are subject to taxation by the state of
36 Missouri under the provisions of sections 144.010 to 144.525. In any city not within a county
37 or any county described in subsection 5 of this section, no sales tax for the purpose of funding
38 zoological activities and zoological facilities as those terms are defined in section 184.500
39 shall exceed a rate of one-eighth of one percent unless the sales tax was levied and collected
40 before August 28, 2017. Beginning August 28, 2017, no county shall submit to the voters any
41 proposal that results in a combined rate of sales taxes adopted under this section in excess of
42 one percent.

43 (2) Notwithstanding the provisions of subdivision (1) of this subsection to the
44 contrary, beginning August 28, 2025, a county with more than eight thousand but fewer than
45 eight thousand nine hundred inhabitants and with a county seat with more than seven hundred
46 thirty but fewer than eight hundred inhabitants may impose a sales tax that results in a
47 combined rate of sales tax adopted pursuant to this section in excess of one percent, but not in
48 excess of one and one-half percent, provided that any such sales tax shall be for the purpose
49 of providing law enforcement services. All sales tax elections conducted during the
50 November 8, 2022, general election shall be deemed in compliance with this subdivision,
51 provided that the total combined sales tax rate adopted pursuant to this section does not
52 exceed one and one-half percent.

53 4. Except as modified in this section, all provisions of sections 32.085 and 32.087
54 shall apply to the tax imposed under this section.

55 5. In any first class county having a charter form of government and having a
56 population of nine hundred thousand or more, the proceeds of the sales tax authorized by this
57 section shall be distributed so that an amount equal to three-eighths of the proceeds of the tax
58 shall be distributed to the county and the remaining five-eighths shall be distributed to the
59 cities, towns and villages and the unincorporated area of the county on the ratio that the
60 population of each bears to the total population of the county. Three-eighths of the tax rate
61 adopted by such a county shall be included in the calculation of the county's one percent
62 combined tax rate ceiling provided in subsection 3 of this section. The population of each
63 city, town or village and the unincorporated area of the county and the total population of the
64 county shall be determined on the basis of the most recent federal decennial census. The
65 provisions of this subsection shall not apply if the revenue collected is used to support
66 zoological activities of the zoological subdistrict as defined under section 184.352. **The**
67 **provisions of this subsection shall not apply if the revenue collected is used for the**
68 **purpose of early childhood education or child care services, and such revenues shall be**
69 **deposited in the early childhood education and child care fund established and**
70 **administered pursuant to section 67.5420.**

71 6. Except as prohibited under section 184.353, residents of any county that does not
72 adopt a sales tax under this section for the purpose of supporting zoological activities may be
73 charged an admission fee for zoological facilities, programs, or events that are not part of the
74 zoological subdistrict defined under subdivision (15) of section 184.352 as of August 28,
75 2017.

76 7. In any county of the second classification with more than nineteen thousand seven
77 hundred but fewer than nineteen thousand eight hundred inhabitants, the proceeds of the sales
78 tax authorized by this section shall be distributed so that an amount equal to three-fourths of
79 the proceeds of the tax shall be distributed to the county and the remaining one-fourth shall be
80 distributed equally among the incorporated cities, towns, and villages of the county. Upon
81 request from any city, town, or village within the county, the county shall make available for
82 inspection the distribution report provided to the county by the department of revenue. Any
83 expenses incurred by the county in supplying such report to a city, town, or village shall be
84 paid by such city, town, or village.

85 8. In any first class county having a charter form of government and having a
86 population of nine hundred thousand or more, no tax shall be imposed pursuant to this section
87 for the purpose of funding in whole or in part the construction, operation or maintenance of a
88 sports stadium, field house, indoor or outdoor recreational facility, center, playing field,
89 parking facility or anything incidental or necessary to a complex suitable for any type of
90 professional sport or recreation, either upon, above or below the ground.

91 9. No county in this state, other than a county with a charter form of government and
92 with more than nine hundred fifty thousand inhabitants and a city not within a county, shall
93 impose a tax under this section for the purpose of funding in whole or in part the construction,
94 operation, or maintenance of any zoological activities, zoological facilities, zoological
95 organizations, the metropolitan zoological park and museum district as created under section
96 184.350, or any zoological boards.

97 10. The director of revenue may authorize the state treasurer to make refunds from
98 the amounts in the trust fund and credited to any county for erroneous payments and
99 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
100 such counties. If any county abolishes the tax, the county shall notify the director of revenue
101 of the action at least ninety days prior to the effective date of the repeal and the director of
102 revenue may order retention in the trust fund, for a period of one year, of two percent of the
103 amount collected after receipt of such notice to cover possible refunds or overpayment of the
104 tax and to redeem dishonored checks and drafts deposited to the credit of such accounts.
105 After one year has elapsed after the effective date of abolition of the tax in such county, the
106 director of revenue shall remit the balance in the account to the county and close the account
107 of that county. The director of revenue shall notify each county of each instance of any
108 amount refunded or any check redeemed from receipts due the county.

109 11. No revenue received from a tax for the purpose of funding zoological activities in
110 any county shall be used for the benefit of any entity that has ever been named Grant's Farm
111 or is located at ten thousand five hundred one Gravois Road, Saint Louis, Missouri, or
112 successor address, or to supplant any funding received from the metropolitan zoological park
113 and museum district established under section 184.350.

67.5420. 1. As used in this section, the following terms shall mean:

2 **(1) "Board", the board of directors appointed pursuant to section 210.861;**

3 **(2) "Child care provider", any entity that is licensed under section 210.221 and**
4 **that provides early childhood education services;**

5 **(3) "County", any county with more than one million inhabitants and any city**
6 **not within a county;**

7 **(4) "Early childhood education service provider", any public school or charter**
8 **school that is contracted with the department of elementary and secondary education to**
9 **provide early childhood education services that adhere to the quality standards as**
10 **provided in section 161.213;**

11 **(5) "Early childhood education services", the same as defined in section 161.244,**
12 **which may include transportation related to such services.**

13 **2. Notwithstanding any provision of law to the contrary, all revenues generated**
14 **by any tax imposed by a county and approved by the voters for the purposes of**

15 establishing an early childhood education and child care services fund to improve the
16 quality of, affordability of, and access to early childhood development programs and
17 child care for children aged five years and younger shall be deposited in the county
18 treasury to the credit of a special "Early Childhood Education and Child Care Fund" to
19 accomplish the purposes set out in this section and shall be used for no other purpose.

20 3. The administrative control and management of the funds in the early
21 childhood education and child care fund and all programs to be funded therefrom shall
22 rest solely with the board and shall be expended for early childhood education services
23 and child care services. The board shall not be mandated to expend funds by an act of
24 the general assembly without a majority vote of the voters of the county. The board
25 shall use or disburse the funds in the early childhood education and child care fund to
26 provide and administer programs improving the quality, affordability, and access to
27 early childhood development and child care programs for children aged five years and
28 younger. The funds may be used for early childhood education services provided by
29 early childhood education service providers and child care providers.

30 4. (1) The board may contract with any provider to provide early childhood
31 education services and child care services and may place conditions on the use of such
32 funds. The board shall reserve the right to audit the expenditure of any and all funds.
33 The board may establish eligibility standards for the receipt and use of such funds. No
34 member of the board shall serve on the governing body, have any financial interest in, or
35 be employed by any entity that is a recipient of funds from the early childhood
36 education and child care fund.

37 (2) Funds expended by the board pursuant to this section shall be expended in
38 the following order of priority:

39 (a) For children in financial or familial need, as determined by the board;

40 (b) For all other services provided pursuant to this section.

41 (3) In addition to the priorities provided in subdivision (2) of this subsection, a
42 child care provider shall prioritize the placement of children from families who can
43 document that they are on a waitlist for the department of elementary and secondary
44 education's child care subsidy program.

45 5. The board shall only provide funding for early childhood education services
46 or child care services to providers who serve children residing in the county.

47 6. The board may accept any gift of property or moneys for the use and benefit
48 of the persons to be served through the programs established and funded under this
49 section and may sell or exchange any such property so long as such sale or exchange is in
50 the best interests of the programs provided under this section and the proceeds from
51 such sale or exchange are used exclusively to fund such programs. The board may

52 solicit, accept, and expend grants from private or public entities and enter into
53 agreements to effectuate such grants so long as the transaction is in the best interest of
54 the programs provided by the board and the proceeds are used exclusively to fund such
55 programs.

56 7. The provisions of subsections 3 to 6 of section 210.861 shall not apply to
57 revenues deposited into the early childhood education and child care fund and
58 administered pursuant to this section.

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