

SECOND REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 169

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MURPHY.

6035H.011

JOSEPH ENGLER, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment to Article X of the Constitution of Missouri, by adopting one new section relating to state revenue.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2026, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to Article X of the Constitution of the state of Missouri:

Section A. Article X, Constitution of Missouri, is amended by adopting one new section, to be known as Section 20(a), to read as follows:

Section 20(a). 1. This section shall be known and may be cited as the "Taxpayer Protection Act".

2. This section takes effect January 1, 2027, or as stated. All provisions are self-executing, severable, and supersede conflicting provisions of this Constitution, general law, or other state or local provisions, but otherwise, the provisions of this section shall be in addition to the limits, requirements, and other provisions of Sections 16 to 24 of this Article. Other limits on district revenue, spending, and debt shall only be modified by future voter approval. Individual or class action enforcement suits may be filed and shall have the highest civil priority of resolution. Successful plaintiffs are allowed costs and reasonable attorney's fees. A district shall not be allowed costs and reasonable

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.

11 attorney's fees unless a suit against it is ruled frivolous. Revenue collected, kept, or
12 spent illegally since four full fiscal years before a suit is filed shall be refunded with ten
13 percent annual simple interest from the initial conduct. Subject to judicial review,
14 districts may use any reasonable method for refunds under this section, including
15 temporary tax credits or rate reductions. Refunds need not be proportional when prior
16 payments are impractical to identify or return. When annual district revenue is less
17 than annual payments on general obligation bonds, pensions, and final court judgments,
18 subdivision (1) of subsection 5 and subsection 8 of this section shall be suspended to
19 provide for the deficiency.

20 3. As used in this section, the following terms mean:

21 (1) "Ballot issue", a nonrecall petition or referred measure in an election;

22 (2) "District", the state or any local government district but shall exclude
23 enterprises;

24 (3) "Emergency", an extraordinary event or occurrence that could not have
25 been reasonably foreseen or prevented and that requires immediate expenditure or
26 appropriation of moneys to preserve the health, safety, and general welfare of the
27 people, but excludes economic conditions, revenue shortfalls, and district salary or
28 fringe benefit increases;

29 (4) "Enterprise", a government-owned business authorized to issue its own
30 revenue bonds and receiving under ten percent of annual revenue in grants from all
31 state and local governments combined;

32 (5) "Fiscal year spending", all district expenditures and reserve increases except,
33 as to both, those for refunds made in the current or next fiscal year; those from gifts,
34 federal funds, collections for another government, pension contributions by employees
35 and pension fund earnings, reserve transfers or expenditures, damage awards, or
36 property sales; those originally deposited into the general revenue fund but designated
37 by law for a specific distribution or transfer to another state fund as reported by the
38 office of administration; or those revenues and expenditures of such revenues excluded
39 from the calculation of total state revenues under Sections 17, 18, and 18(e) of this
40 Article and not included as an expense of state government under Section 20 of this
41 Article;

42 (6) "Inflation", the percentage change in the general price level as such term is
43 defined under Section 17 of this Article;

44 (7) "Local government district", a county or other political subdivision as such
45 term is defined under Section 15 of this Article;

46 (8) "Local growth", for a nonschool district, a net percentage change in actual
47 value of all real property in a district from construction of taxable real property

48 improvements, minus destruction of similar improvements, and additions to, minus
49 deletions from, taxable real property. For a school district, it means the percentage
50 change in its student enrollment.

51 4. (1) Ballot issues brought under the requirements of this section shall be
52 decided in a regularly scheduled state general election, general municipal election or
53 other general local district election, or on the first Tuesday after the first Monday in
54 November of odd-numbered years. Except for petitions, bonded debt, or charter or
55 constitutional provisions, districts may consolidate ballot issues and voters may approve
56 a delay of up to four years in voting on ballot issues. District actions taken during such
57 a delay shall not extend beyond that period.

58 (2) At least thirty days before a ballot issue election brought under the
59 requirements of this section, districts shall mail at the least cost, and as a package where
60 districts with ballot issues overlap, a title notice or set of notices addressed to "All
61 Registered Voters" at each address of one or more active registered electors. The
62 districts may coordinate the mailing required by this subsection with the distribution of
63 any other mailed ballot information in order to save mailing costs. Titles shall have this
64 order of preference: "NOTICE OF ELECTION TO INCREASE TAXES/TO
65 INCREASE DEBT/ON A CITIZEN PETITION ON A REFERRED MEASURE.". Except for district voter-approved additions, and in addition to any other requirements
66 for ballot measures under this Constitution or by general law, notices shall include only:

67 (a) The election date, hours, ballot title, text, and local election office address and
68 telephone number;

69 (b) For proposed district tax or bonded debt increases, the estimated or actual
70 total of district fiscal year spending for the current year and each of the past four years,
71 and the overall percentage and dollar change;

72 (c) For the first full fiscal year of each proposed district tax increase, district
73 estimates of the maximum dollar amount of each increase and of district fiscal year
74 spending without the increase;

75 (d) For proposed district bonded debt, its principal amount and maximum
76 annual and total district repayment cost, and the principal balance of total current
77 district bonded debt and its maximum annual and remaining total district repayment
78 cost; and

79 (e) Two summaries, up to five hundred words each, one for and one against the
80 proposal, of written comments filed with the election officer by forty-five days before the
81 election. No summary shall mention names of persons or private groups, nor any
82 endorsements of or resolutions against the proposal. Petition representatives following
83 these rules shall write this summary for their petition. The election officer shall
84

85 maintain and accurately summarize all other relevant written comments. The
86 provisions of this paragraph do not apply to a statewide ballot issue brought under
87 the provisions of this section.

88 (3) Except by later voter approval, if a tax increase or fiscal year spending
89 exceeds any estimate under paragraph (c) of subdivision (2) of this subsection for the
90 same fiscal year, the tax increase is thereafter reduced up to one hundred percent in
91 proportion to the combined dollar excess, and the combined excess revenue refunded in
92 the next fiscal year. District bonded debt shall not issue on terms that could exceed its
93 share of its maximum repayment costs in paragraph (d) of subdivision (2) of this
94 subsection. Ballot titles for tax or bonded debt increases shall begin:

95 "Shall (district) taxes be increased (first, or if phased in, final, fiscal year dollar
96 increase) annually...?" or "Shall (district) debt be increased (principal amount), with a
97 repayment cost of (maximum total district cost), ...?".

98 5. Beginning on and after the effective date of this section, districts shall be
99 required to have voter approval in advance for:

100 (1) Unless subsection 2 or subsection 7 of this section applies, any new tax, tax
101 rate increase, mill levy above the rate for the prior year, valuation for assessment ratio
102 increase for a property class, extension of an expiring tax, or a tax policy change directly
103 causing a net tax revenue gain to any district; and

104 (2) Except for refinancing district bonded debt at a lower interest rate or adding
105 new employees to existing district pension plans, creation of any multiple fiscal year
106 direct or indirect district debt or other financial obligation whatsoever without adequate
107 present cash reserves pledged irrevocably and held for payments in all future fiscal
108 years.

109 6. To use only for declared emergencies, each district shall reserve for fiscal year
110 2028 one percent or more, for fiscal year 2029 two percent or more, and for all later
111 years three percent or more of its fiscal year spending excluding bonded debt service.
112 Unused reserves apply to the next year's reserve.

113 7. This subsection grants no new taxing power. Emergency property taxes are
114 prohibited. Emergency tax revenue is excluded for purposes of subdivision (3) of
115 subsection 4 and subsection 8 of this section, even if later ratified by voters. Emergency
116 taxes shall also meet all of the following conditions:

117 (1) A two-thirds majority of the members of each chamber of the general
118 assembly or of a local district governing body declares the emergency and imposes the
119 tax by separate recorded roll call votes;

120 (2) Emergency tax revenue shall be spent only after emergency reserves are
121 depleted, and shall be refunded within one hundred eighty days after the emergency
122 ends if not spent on the emergency; and

123 (3) A tax not approved on the next election date sixty days or more after the
124 declaration shall end with that election month.

125 8. (1) The maximum annual percentage change in state fiscal year spending
126 equals inflation plus the percentage change in state population in the prior calendar
127 year adjusted for any revenue changes approved by voters after the effective date of this
128 section. Population shall be determined by annual federal census estimates and such
129 number shall be adjusted every decade to match the federal census.

130 (2) The maximum annual percentage change in each local district's fiscal year
131 spending equals inflation in the prior calendar year plus annual local growth adjusted
132 for any revenue changes approved by voters after the effective date of this section and
133 reductions under subsections 8 and 9 of this section.

134 (3) The maximum annual percentage change in each local district's property tax
135 revenue equals inflation in the prior calendar year plus annual local growth, adjusted
136 for property tax revenue changes approved by voters after the effective date of this
137 section and reductions under subdivision (2) of subsection 9 and subsection 10 of this
138 section.

139 (4) If revenue from sources not excluded from fiscal year spending exceeds these
140 limits in dollars for that fiscal year, the excess shall be refunded in the next fiscal year
141 unless voters approve a revenue change as an offset. Initial district bases are current
142 fiscal year spending and property tax collected for tax year 2025. Qualification or
143 disqualification as an enterprise shall change district bases and future year limits.
144 Future creation of district bonded debt shall increase, and retiring or refinancing
145 district bonded debt shall lower fiscal year spending and property tax revenue by the
146 annual debt service so funded. Debt service changes, reductions, refunds under
147 subsection 2 and subdivision (3) of subsection 4 of this section, and voter-approved
148 revenue changes are dollar amounts that are exceptions to, and not part of, any district
149 base. Voter-approved revenue changes do not require a tax rate change.

150 9. (1) New or increased transfer tax rates on real property are prohibited. No
151 new state real property tax or local district income tax shall be imposed. Neither an
152 income tax rate increase nor a new state definition of taxable income shall apply before
153 the next tax year.

154 (2) Each district may enact cumulative uniform exemptions and credits to
155 reduce or end business personal property taxes.

156 **(3) Regardless of reassessment frequency, valuation notices shall be mailed**
157 **annually and may be appealed annually, with no presumption in favor of any pending**
158 **valuation. Past or future sales by a lender or government shall also be considered as**
159 **comparable market sales and their sales prices kept as public records. Actual value**
160 **shall be stated on all property tax bills and valuation notices and, for residential real**
161 **property, determined solely by the market approach to appraisal.**

162 **10. Except for public education through grade twelve or as required of a local**
163 **district by federal law, a local district may reduce or end its subsidy to any program**
164 **delegated to it by the general assembly for administration. For current programs, the**
165 **state may require ninety days notice and that the adjustment occur in a maximum of**
166 **three equal annual installments.**

167 **11. The general assembly may enact such laws as may be necessary to implement**
168 **the provisions of this section.**

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