

FIRST REGULAR SESSION
[CORRECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 48
99TH GENERAL ASSEMBLY

0166H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 94.900 and 94.902, RSMo, and to enact in lieu thereof two new sections relating to sales taxes for public safety.

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

Section A. Sections 94.900 and 94.902, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 94.900 and 94.902, to read as follows:

94.900. 1. (1) The governing body of the following cities may impose a tax as provided
2 in this section:

3 (a) Any city of the third classification with more than ten thousand eight hundred but less
4 than ten thousand nine hundred inhabitants located at least partly within a county of the first
5 classification with more than one hundred eighty-four thousand but less than one hundred
6 eighty-eight thousand inhabitants;

7 (b) Any city of the fourth classification with more than eight thousand nine hundred but
8 fewer than nine thousand inhabitants;

9 (c) Any city of the fourth classification with more than two thousand six hundred but
10 fewer than two thousand seven hundred inhabitants and located in any county of the first
11 classification with more than eighty-two thousand but fewer than eighty-two thousand one
12 hundred inhabitants;

13 (d) Any home rule city with more than forty-eight thousand but fewer than forty-nine
14 thousand inhabitants;

15 (e) Any home rule city with more than seventy-three thousand but fewer than
16 seventy-five thousand inhabitants;

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.

21 (g) Any city of the fourth classification with more than seven thousand but fewer
22 than eight thousand inhabitants and located in any county of the first classification with
23 more than one hundred fifteen thousand but fewer than one hundred fifty thousand
24 inhabitants.

2. If the proposal submitted involves only authorization to impose the tax authorized by this section, the ballot of submission shall contain, but need not be limited to, the following language:

40 ☐ YES ☐ NO

44
45 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
46 of the proposal submitted pursuant to this subsection, then the ordinance or order and any
47 amendments thereto shall be in effect on the first day of the second calendar quarter after the
48 director of revenue receives notification of adoption of the local sales tax. If a proposal receives
49 less than the required majority, then the governing body of the city shall have no power to
50 impose the sales tax herein authorized unless and until the governing body of the city shall again
51 have submitted another proposal to authorize the governing body of the city to impose the sales
52 tax authorized by this section and such proposal is approved by the required majority of the

53 qualified voters voting thereon. However, in no event shall a proposal pursuant to this section
54 be submitted to the voters sooner than twelve months from the date of the last proposal pursuant
55 to this section.

56 3. All revenue received by a city from the tax authorized under the provisions of this
57 section shall be deposited in a special trust fund and shall be used solely for improving the public
58 safety for such city for so long as the tax shall remain in effect.

59 4. Once the tax authorized by this section is abolished or is terminated by any means, all
60 funds remaining in the special trust fund shall be used solely for improving the public safety for
61 the city. Any funds in such special trust fund which are not needed for current expenditures may
62 be invested by the governing body in accordance with applicable laws relating to the investment
63 of other city funds.

64 5. All sales taxes collected by the director of the department of revenue under this
65 section on behalf of any city, less one percent for cost of collection which shall be deposited in
66 the state's general revenue fund after payment of premiums for surety bonds as provided in
67 section 32.087, shall be deposited in a special trust fund, which is hereby created, to be known
68 as the "City Public Safety Sales Tax Trust Fund". The moneys in the trust fund shall not be
69 deemed to be state funds and shall not be commingled with any funds of the state. The
70 provisions of section 33.080 to the contrary notwithstanding, money in this fund shall not be
71 transferred and placed to the credit of the general revenue fund. The director of the department
72 of revenue shall keep accurate records of the amount of money in the trust and which was
73 collected in each city imposing a sales tax pursuant to this section, and the records shall be open
74 to the inspection of officers of the city and the public. Not later than the tenth day of each month
75 the director of the department of revenue shall distribute all moneys deposited in the trust fund
76 during the preceding month to the city which levied the tax; such funds shall be deposited with
77 the city treasurer of each such city, and all expenditures of funds arising from the trust fund shall
78 be by an appropriation act to be enacted by the governing body of each such city. Expenditures
79 may be made from the fund for any functions authorized in the ordinance or order adopted by
80 the governing body submitting the tax to the voters.

81 6. The director of the department of revenue may make refunds from the amounts in the
82 trust fund and credited to any city for erroneous payments and overpayments made, and may
83 redeem dishonored checks and drafts deposited to the credit of such cities. If any city abolishes
84 the tax, the city shall notify the director of the department of revenue of the action at least ninety
85 days prior to the effective date of the repeal and the director of the department of revenue may
86 order retention in the trust fund, for a period of one year, of two percent of the amount collected
87 after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem
88 dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed

89 after the effective date of abolition of the tax in such city, the director of the department of
90 revenue shall remit the balance in the account to the city and close the account of that city. The
91 director of the department of revenue shall notify each city of each instance of any amount
92 refunded or any check redeemed from receipts due the city.

93 7. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall
94 apply to the tax imposed pursuant to this section.

94.902. 1. The governing bodies of the following cities may impose a tax as provided
2 in this section:

3 (1) Any city of the third classification with more than twenty-six thousand three hundred
4 but less than twenty-six thousand seven hundred inhabitants;

5 (2) Any city of the fourth classification with more than thirty thousand three hundred but
6 fewer than thirty thousand seven hundred inhabitants;

7 (3) Any city of the fourth classification with more than twenty-four thousand eight
8 hundred but fewer than twenty-five thousand inhabitants;

9 (4) Any special charter city with more than twenty-nine thousand but fewer than thirty-
10 two thousand inhabitants; ~~[or]~~

11 (5) Any city of the third classification with more than four thousand but fewer than four
12 thousand five hundred inhabitants and located in any county of the first classification with more
13 than two hundred thousand but fewer than two hundred sixty thousand inhabitants; **or**

14 **(6) Any city of the fourth classification with more than nine thousand five hundred**
15 **but fewer than ten thousand nine hundred inhabitants and located in any county with a**
16 **charter form of government and with more than nine hundred fifty thousand inhabitants.**

17 2. The governing body of any city listed in subsection 1 of this section may impose, by
18 order or ordinance, a sales tax on all retail sales made in the city which are subject to taxation
19 under chapter 144. The tax authorized in this section may be imposed in an amount of up to one-
20 half of one percent, and shall be imposed solely for the purpose of improving the public safety
21 for such city, including but not limited to expenditures on equipment, city employee salaries and
22 benefits, and facilities for police, fire and emergency medical providers. The tax authorized in
23 this section shall be in addition to all other sales taxes imposed by law, and shall be stated
24 separately from all other charges and taxes. The order or ordinance imposing a sales tax under
25 this section shall not become effective unless the governing body of the city submits to the voters
26 residing within the city, at a county or state general, primary, or special election, a proposal to
27 authorize the governing body of the city to impose a tax under this section.

28 3. **(1) Except as otherwise provided in subdivision (2) of this subsection,** the ballot
29 of submission for the tax authorized in this section shall be in substantially the following form:

30 Shall the city of (city's name) impose a citywide sales tax at
31 a rate of (insert rate of percent) percent for the purpose of improving the public safety of
32 the city?

33 ☐ YES ☐ NO

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

36

37 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
38 of the proposal, then the ordinance or order and any amendments to the order or ordinance shall
39 become effective on the first day of the second calendar quarter after the director of revenue
40 receives notice of the adoption of the sales tax. If a majority of the votes cast on the proposal
41 by the qualified voters voting thereon are opposed to the proposal, then the tax shall not become
42 effective unless the proposal is resubmitted under this section to the qualified voters and such
43 proposal is approved by a majority of the qualified voters voting on the proposal. However, in
44 no event shall a proposal under this section be submitted to the voters sooner than twelve months
45 from the date of the last proposal under this section.

46 **(2) For any city described under subdivision (6) of subsection 1 of this section, the**
47 **ballot of submission for the tax authorized in this section shall be in substantially the**
48 **following form:**

49 **Shall the city of (city's name) impose a citywide sales tax**
50 **at a rate of (insert rate of percent) percent until December 31, 2038, for the purpose**
51 **of improving the public safety of the city?**

52 ☐ YES ☐ NO

53

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

56

57 **If a majority of the votes cast on the proposal by the qualified voters voting thereon are in**
58 **favor of the proposal, then the ordinance or order and any amendments to the order or**
59 **ordinance shall become effective on the first day of the second calendar quarter after the**
60 **director of revenue receives notice of the adoption of the sales tax. If a majority of the**
61 **votes cast on the proposal by the qualified voters voting thereon are opposed to the**
62 **proposal, then the tax shall not become effective unless the proposal is resubmitted under**
63 **this section to the qualified voters and such proposal is approved by a majority of the**
64 **qualified voters voting on the proposal. However, in no event shall a proposal under this**

65 **section be submitted to the voters sooner than twelve months from the date of the last**
66 **proposal under this section.**

67 4. Any sales tax imposed under this section shall be administered, collected, enforced,
68 and operated as required in section 32.087. All sales taxes collected by the director of the
69 department of revenue under this section on behalf of any city, less one percent for cost of
70 collection which shall be deposited in the state's general revenue fund after payment of premiums
71 for surety bonds as provided in section 32.087, shall be deposited in a special trust fund, which
72 is hereby created in the state treasury, to be known as the "City Public Safety Sales Tax Trust
73 Fund". The moneys in the trust fund shall not be deemed to be state funds and shall not be
74 commingled with any funds of the state. The provisions of section 33.080 to the contrary
75 notwithstanding, money in this fund shall not be transferred and placed to the credit of the
76 general revenue fund. The director shall keep accurate records of the amount of money in the
77 trust fund and which was collected in each city imposing a sales tax under this section, and the
78 records shall be open to the inspection of officers of the city and the public. Not later than the
79 tenth day of each month the director shall distribute all moneys deposited in the trust fund during
80 the preceding month to the city which levied the tax. Such funds shall be deposited with the city
81 treasurer of each such city, and all expenditures of funds arising from the trust fund shall be by
82 an appropriation act to be enacted by the governing body of each such city. Expenditures may
83 be made from the fund for any functions authorized in the ordinance or order adopted by the
84 governing body submitting the tax to the voters. If the tax is repealed, all funds remaining in the
85 special trust fund shall continue to be used solely for the designated purposes. Any funds in the
86 special trust fund which are not needed for current expenditures shall be invested in the same
87 manner as other funds are invested. Any interest and moneys earned on such investments shall
88 be credited to the fund.

89 5. The director of the department of revenue may authorize the state treasurer to make
90 refunds from the amounts in the trust fund and credited to any city for erroneous payments and
91 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
92 such cities. If any city abolishes the tax, the city shall notify the director of the action at least
93 ninety days before the effective date of the repeal, and the director may order retention in the
94 trust fund, for a period of one year, of two percent of the amount collected after receipt of such
95 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and
96 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date
97 of abolition of the tax in such city, the director shall remit the balance in the account to the city
98 and close the account of that city. The director shall notify each city of each instance of any
99 amount refunded or any check redeemed from receipts due the city.

6. The governing body of any city that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the city. The ballot of submission shall be in substantially the following form:

Shall (insert the name of the city) repeal the sales tax imposed at a rate of (insert rate of percent) percent for the purpose of improving the public safety of the city?

☐ YES ☐ NO

If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters, and the repeal is approved by a majority of the qualified voters voting on the question.

7. Whenever the governing body of any city that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city voting in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters of the city a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

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

✓