

FIRST REGULAR SESSION

# HOUSE BILL NO. 394

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REEDY.

1121H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal section 94.902, RSMo, and to enact in lieu thereof one new section relating to public safety sales taxes.

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

Section A. Section 94.902, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 94.902, to read as follows:

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

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

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

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

(4) Any special charter city with more than twenty-nine thousand but fewer than thirty-two thousand inhabitants;

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

(6) Any city of the fourth classification with more than nine thousand five hundred but fewer than ten thousand eight hundred inhabitants;

(7) Any city of the fourth classification with more than five hundred eighty but fewer than six hundred fifty 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.

18 (8) Any city of the fourth classification with more than two thousand seven hundred but  
 19 fewer than three thousand inhabitants and located in any county of the first classification with  
 20 more than eighty-three thousand but fewer than ninety-two thousand inhabitants; [ø]

21 (9) Any city of the fourth classification with more than two thousand four hundred but  
 22 fewer than two thousand seven hundred inhabitants and located in any county of the third  
 23 classification without a township form of government and with more than ten thousand but fewer  
 24 than twelve thousand inhabitants;

25 **(10) Any city of the third classification with more than nine thousand but fewer**  
 26 **than ten thousand inhabitants and located in any county of the third classification with a**  
 27 **township form of government and with more than twenty thousand but fewer than**  
 28 **twenty-three thousand inhabitants; or**

29 **(11) Any city of the fourth classification with more than one thousand fifty but**  
 30 **fewer than one thousand two hundred inhabitants and located in any county of the third**  
 31 **classification without a township form of government and with more than eighteen**  
 32 **thousand but fewer than twenty thousand inhabitants and with a city of the fourth**  
 33 **classification with more than two thousand one hundred but fewer than two thousand four**  
 34 **hundred inhabitants as the county seat.**

35 2. The governing body of any city listed in subsection 1 of this section may impose, by  
 36 order or ordinance, a sales tax on all retail sales made in the city which are subject to taxation  
 37 under chapter 144. The tax authorized in this section may be imposed in an amount of up to  
 38 one-half of one percent, and shall be imposed solely for the purpose of improving the public  
 39 safety for such city, including, but not limited to, expenditures on equipment[;] ; city employee  
 40 salaries and benefits[;] ; and facilities for police, fire, and emergency medical providers. The tax  
 41 authorized in this section shall be in addition to all other sales taxes imposed by law, and shall  
 42 be stated separately from all other charges and taxes. The order or ordinance imposing a sales  
 43 tax under this section shall not become effective unless the governing body of the city submits  
 44 to the voters residing within the city, at a county or state general, primary, or special election, a  
 45 proposal to authorize the governing body of the city to impose a tax under this section.

46 3. The ballot of submission for the tax authorized in this section shall be in substantially  
 47 the following form:

48 Shall the city of \_\_\_\_\_ [~~city's name~~] impose a citywide sales tax at a rate of  
 49 \_\_\_\_\_ [~~insert rate of percent~~] percent for the purpose of improving the public  
 50 safety of the city?

51  YES  NO

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

54

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

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

86 5. The director of the department of revenue may authorize the state treasurer to make  
87 refunds from the amounts in the trust fund and credited to any city for erroneous payments and  
88 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of  
89 such cities. If any city abolishes the tax, the city shall notify the director of the action at least

90 ninety days before the effective date of the repeal, and the director may order retention in the  
91 trust fund, for a period of one year, of two percent of the amount collected after receipt of such  
92 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and  
93 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date  
94 of abolition of the tax in such city, the director shall remit the balance in the account to the city  
95 and close the account of that city. The director shall notify each city of each instance of any  
96 amount refunded or any check redeemed from receipts due the city.

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

100 Shall **the city of** \_\_\_\_\_ [~~insert the name of the city~~] repeal the sales tax  
101 imposed at a rate of \_\_\_\_\_ [~~insert rate of percent~~] percent for the purpose of  
102 improving the public safety of the city?  
103  YES  NO

104

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

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

121 8. Any sales tax imposed under this section by a city described under subdivision (6) of  
122 subsection 1 of this section that is in effect as of December 31, 2038, shall automatically expire.  
123 No city described under subdivision (6) of subsection 1 of this section shall collect a sales tax  
124 pursuant to this section on or after January 1, 2039. Subsection 7 of this section shall not apply

125 to a sales tax imposed under this section by a city described under subdivision (6) of subsection  
126 1 of this section.

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

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