

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 394
101ST GENERAL ASSEMBLY

1121H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

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

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Section A. Sections 94.900 and 94.902, RSMo, are repealed and two new sections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 four thousand five hundred but
8 fewer than five thousand inhabitants;

9 (c) Any city of the fourth classification with more than eight thousand nine hundred but
10 fewer than nine thousand inhabitants;

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

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

15 (f) Any city of the fourth classification with more than thirteen thousand five hundred
16 but fewer than sixteen thousand inhabitants;

17 (g) Any city of the fourth classification with more than seven thousand but fewer than
18 eight 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.

19 (h) Any city of the fourth classification with more than four thousand but fewer than four
20 thousand five hundred inhabitants and located in any county of the first classification with more
21 than one hundred fifty thousand but fewer than two hundred thousand inhabitants;

22 (i) Any city of the third classification with more than thirteen thousand but fewer than
23 fifteen thousand inhabitants and located in any county of the third classification without a
24 township form of government and with more than thirty-three thousand but fewer than
25 thirty-seven thousand inhabitants; ~~[or]~~

26 (j) Any city of the fourth classification with more than three thousand but fewer than
27 three thousand three hundred inhabitants and located in any county of the third classification
28 without a township form of government and with more than eighteen thousand but fewer than
29 twenty thousand inhabitants and that is not the county seat of such county; **or**

30 **(k) Any city of the fourth classification with more than one thousand three hundred**
31 **fifty but fewer than one thousand five hundred inhabitants and located in any county of**
32 **the first classification with more than one hundred fifty thousand but fewer than two**
33 **hundred thousand inhabitants.**

34 (2) The governing body of any city listed in subdivision (1) of this subsection is hereby
35 authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half of one
36 percent on all retail sales made in such city which are subject to taxation under the provisions
37 of sections 144.010 to 144.525 for the purpose of improving the public safety for such city,
38 including but not limited to expenditures on equipment, city employee salaries and benefits, and
39 facilities for police, fire and emergency medical providers. The tax authorized by this section
40 shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or
41 order imposing a sales tax pursuant to the provisions of this section shall be effective unless the
42 governing body of the city submits to the voters of the city, at a county or state general, primary
43 or special election, a proposal to authorize the governing body of the city to impose a tax.

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

47 Shall the city of _____ (city's name) impose a citywide sales tax of
48 _____ (insert amount) for the purpose of improving the public safety of the
49 city?

50 YES NO

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

53

54 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
55 of the proposal submitted pursuant to this subsection, then the ordinance or order and any
56 amendments thereto shall be in effect on the first day of the second calendar quarter after the
57 director of revenue receives notification of adoption of the local sales tax. If a proposal receives
58 less than the required majority, then the governing body of the city shall have no power to
59 impose the sales tax herein authorized unless and until the governing body of the city shall again
60 have submitted another proposal to authorize the governing body of the city to impose the sales
61 tax authorized by this section and such proposal is approved by the required majority of the
62 qualified voters voting thereon. However, in no event shall a proposal pursuant to this section
63 be submitted to the voters sooner than twelve months from the date of the last proposal pursuant
64 to this section.

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

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

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

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

102 7. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall
103 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
10 thirty-two thousand inhabitants;

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;

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

16 (7) Any city of the fourth classification with more than five hundred eighty but fewer
17 than six hundred fifty inhabitants;

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; [∅]

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;**

29 **(11) Any city of the third classification with more than seventeen thousand but**
30 **fewer than nineteen thousand inhabitants and that is the county seat of any county of the**
31 **fourth classification with more than forty-eight thousand but fewer than sixty thousand**
32 **inhabitants;**

33 **(12) Any city of the fourth classification with more than one thousand fifty but**
34 **fewer than one thousand two hundred inhabitants and located in any county of the third**
35 **classification without a township form of government and with more than eighteen**
36 **thousand but fewer than twenty thousand inhabitants and with a city of the fourth**
37 **classification with more than two thousand one hundred but fewer than two thousand four**
38 **hundred inhabitants as the county seat; or**

39 **(13) Any city of the fourth classification with more than four hundred fifty but**
40 **fewer than five hundred inhabitants and located in any county of the third classification**
41 **without a township form of government and with more than twenty-nine thousand but**
42 **fewer than thirty-three thousand inhabitants and with a city of the fourth classification**
43 **with more than four hundred but fewer than four hundred fifty inhabitants as the county**
44 **seat.**

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

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

58 Shall the city of _____ [~~(city's name)~~] impose a citywide sales tax at a rate of
59 _____ [~~(insert rate of percent)~~] percent for the purpose of improving the public
60 safety of the city?

61 YES NO

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

64

65 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor
66 of the proposal, then the ordinance or order and any amendments to the order or ordinance shall
67 become effective on the first day of the second calendar quarter after the director of revenue
68 receives notice of the adoption of the sales tax. If a majority of the votes cast on the proposal
69 by the qualified voters voting thereon are opposed to the proposal, then the tax shall not become
70 effective unless the proposal is resubmitted under this section to the qualified voters and such
71 proposal is approved by a majority of the qualified voters voting on the proposal. However, in
72 no event shall a proposal under this section be submitted to the voters sooner than twelve months
73 from the date of the last proposal under this section.

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

94 manner as other funds are invested. Any interest and moneys earned on such investments shall
95 be credited to the fund.

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

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

110 Shall **the city of** _____ [~~insert the name of the city~~] repeal the sales tax
111 imposed at a rate of _____ [~~insert rate of percent~~] percent for the purpose of
112 improving the public safety of the city?

113 YES NO

114

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

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

129 question is resubmitted under this section to the qualified voters and the repeal is approved by
130 a majority of the qualified voters voting on the question.

131 8. Any sales tax imposed under this section by a city described under subdivision (6) of
132 subsection 1 of this section that is in effect as of December 31, 2038, shall automatically expire.
133 No city described under subdivision (6) of subsection 1 of this section shall collect a sales tax
134 pursuant to this section on or after January 1, 2039. Subsection 7 of this section shall not apply
135 to a sales tax imposed under this section by a city described under subdivision (6) of subsection
136 1 of this section.

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

✓