

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE JOINT RESOLUTION NO. 43
94TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, May 7, 2008, with recommendation that the Senate Committee Substitute do pass.

3299S.04C

TERRY L. SPIELER, Secretary.

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 6 and 22 of article X of the Constitution of Missouri, and adopting two new sections in lieu thereof relating to property taxation.

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
2 Tuesday next following the first Monday in November, 2008, or at a special
3 election to be called by the governor for that purpose, there is hereby submitted
4 to the qualified voters of this state, for adoption or rejection, the following
5 amendment to article X of the Constitution of the state of Missouri:

Section A. Sections 6 and 22, article X, Constitution of Missouri, are
2 repealed and two new sections adopted in lieu thereof, to be known as sections
3 6 and 22, to read as follows:

Section 6. 1. All property, real and personal, of the state, counties and
2 other political subdivisions, and nonprofit cemeteries, shall be exempt from
3 taxation; all personal property held as industrial inventories, including raw
4 materials, work in progress and finished work on hand, by manufacturers and
5 refiners, and all personal property held as goods, wares, merchandise, stock in
6 trade or inventory for resale by distributors, wholesalers, or retail merchants or
7 establishments shall be exempt from taxation; and all property, real and
8 personal, not held for private or corporate profit and used exclusively for religious
9 worship, for schools and colleges, for purposes purely charitable, for agricultural
10 and horticultural societies, or for veterans' organizations may be exempted from
11 taxation by general law. In addition to the above, household goods, furniture,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

12 wearing apparel and articles of personal use and adornment owned and used by
13 a person in his home or dwelling place may be exempt from taxation by general
14 law but any such law may provide for approximate restitution to the respective
15 political subdivisions of revenues lost by reason of the exemption. All laws
16 exempting from taxation property other than the property enumerated in this
17 article **or personal property**, shall be void. **The general assembly may, by**
18 **enactment of general laws, exempt items of personal property from**
19 **taxation.** The provisions of this section exempting certain personal property of
20 manufacturers, refiners, distributors, wholesalers, and retail merchants and
21 establishments from taxation shall become effective, unless otherwise provided
22 by law, in each county on January 1 of the year in which that county completes
23 its first general reassessment as defined by law.

24 2. All revenues lost because of the exemption of certain personal property
25 of manufacturers, refiners, distributors, wholesalers, and retail merchants and
26 establishments shall be replaced to each taxing authority within a county from
27 a countywide tax hereby imposed on all property in subclass 3 of class 1 in each
28 county. For the year in which the exemption becomes effective, the county clerk
29 shall calculate the total revenue lost by all taxing authorities in the county and
30 extend upon all property in subclass 3 of class 1 within the county, a tax at the
31 rate necessary to produce that amount. The rate of tax levied in each county
32 according to this subsection shall not be increased above the rate first imposed
33 [and will stand levied at that rate unless later reduced according to the
34 provisions of subsection 3]. The county collector shall disburse the proceeds
35 according to the revenue lost by each taxing authority because of the exemption
36 of such property in that county. Restitution of the revenues lost by any taxing
37 district contained in more than one county shall be from the several counties
38 according to the revenue lost because of the exemption of property in each
39 county. Each year after the first year the replacement tax is imposed, the
40 amount distributed to each taxing authority in a county shall be increased or
41 decreased by an amount equal to the amount resulting from the change in that
42 district's total assessed value of property in subclass 3 of class 1 at the
43 countywide replacement tax rate. In order to implement the provisions of this
44 subsection, the limits set in section 11(b) of this article may be exceeded, without
45 voter approval, if necessary to allow each county listed in section 11(b) to comply
46 with this subsection.

47 3. [Any increase in the tax rate imposed pursuant to subsection 2 of this

48 section shall be decreased if such decrease is approved by a majority of the voters
49 of the county voting on such decrease. A decrease in the increased tax rate
50 imposed under subsection 2 of this section may be submitted to the voters of a
51 county by the governing body thereof upon its own order, ordinance, or resolution
52 and shall be submitted upon the petition of at least eight percent of the qualified
53 voters who voted in the immediately preceding gubernatorial election.

54 4.] As used in this section, the terms "revenues lost" and "lost revenues"
55 shall mean that revenue which each taxing authority received from the imposition
56 of a tangible personal property tax on all personal property held as industrial
57 inventories, including raw materials, work in progress and finished work on hand,
58 by manufacturers and refiners, and all personal property held as goods, wares,
59 merchandise, stock in trade or inventory for resale by distributors, wholesalers,
60 or retail merchants or establishments in the last full tax year immediately
61 preceding the effective date of the exemption from taxation granted for such
62 property under subsection 1 of this section, and which was no longer received
63 after such exemption became effective.

Section 22. (a) Counties and other political subdivisions are hereby
2 prohibited from levying any tax, license or fees, not authorized by law, charter or
3 self-enforcing provisions of the constitution when this section is adopted or from
4 increasing the [current] **maximum authorized** levy of an existing tax, license
5 or fees, above that [current] **maximum authorized** levy authorized by law or
6 charter when this section is adopted without the approval of the required
7 majority of the qualified voters of that county or other political subdivision voting
8 thereon. If the definition of the base of an existing tax, license or fees, is
9 broadened, the maximum authorized [current] levy of taxation on the new base
10 in each county or other political subdivision shall be reduced to yield the same
11 estimated gross revenue as on the prior base. If the assessed valuation of
12 property as finally equalized, excluding the value of new construction and
13 improvements, increases by a larger percentage than the increase in the general
14 price level from the previous year, the maximum authorized **levy and the**
15 current levy applied thereto in each county or other political subdivision shall be
16 reduced to yield the same gross revenue from existing property, adjusted for
17 changes in the general price level, as could have been collected at the existing
18 authorized levy on the prior assessed value. **For purposes of this section, the**
19 **term "maximum authorized levy" shall mean the most recent voter-**
20 **approved tax rate as adjusted by this section.**

21 (b) The limitations of this section shall not apply to taxes imposed for the
22 payment of principal and interest on bonds or other evidence of indebtedness or
23 for the payment of assessments on contract obligations in anticipation of which
24 bonds are issued which were authorized prior to the effective date of this
25 section. **Limitations of this section shall not apply to school districts**
26 **formed of cities and towns, including the school district of the city of**
27 **St. Louis, which are authorized to impose a property tax at a rate of**
28 **two dollars and seventy-five cents on the hundred dollars assessed**
29 **valuation, pursuant to section 11(b) of this article.**

30 (c) The provisions of this section shall apply to any replacement
31 tax authorized pursuant to subsection 2 of section 6 of this article.

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Bill

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