

Journal of the Senate

SECOND REGULAR SESSION

SIXTY-EIGHTH DAY—WEDNESDAY, MAY 12, 2010

The Senate met pursuant to adjournment.

President Kinder in the Chair.

Reverend Carl Gauck offered the following prayer:

“The test of humility is your attitude to subordinates.” (Orchot Tzaddikim)

Merciful God, we are halfway through this final week and a good time to remember and give thanks for those who have worked so hard for us and with us during this session. They continue to give whole heartedly of their time and talents which make our efforts go more easily and often make us look good. So bless them and their efforts and keep us mindful of all they do. In Your Holy Name we pray. Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal of the previous day was read and approved.

The following Senators were present during the day’s proceedings:

Present—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The Lieutenant Governor was present.

RESOLUTIONS

Senator Shields offered Senate Resolution No. 2502, regarding Ki’ara Cross, which was adopted.

Senator Shields offered Senate Resolution No. 2503, regarding Mason Rhodes, which was adopted.
 Senator Shields offered Senate Resolution No. 2504, regarding Mason Emmott, which was adopted.

REPORTS OF STANDING COMMITTEES

Senator Shields, Chairman of the Committee on Gubernatorial Appointments, submitted the following reports, reading of which was waived:

Mr. President: Your Committee on Gubernatorial Appointments, to which were referred the following appointments, begs leave to report that it has considered the same and recommends that the Senate do give its advice and consent to the following:

Carolyn R. Mahoney, as a member of the Midwestern Higher Education Commission;

Also,

Kirk A. Nelson and Glenn Talboy, Jr., as members of the Drug Utilization Review Board;

Also,

Brandt W. Shields, as the student representative of the Missouri State University Board of Governors.

Senator Shields requested unanimous consent of the Senate to vote on the above reports in one motion. There being no objection, the request was granted.

Senator Shields moved that the committee reports be adopted, and the Senate do give its advice and consent to the above appointments, which motion prevailed.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SS** for **SCS** for **HCS** for **HB 1764** and has taken up and passed **SS** for **SCS** for **HCS** for **HB 1764**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SCS** for **HB 1612** and has taken up and passed **SCS** for **HB 1612**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted **SS**, as amended for **HCS** for **HB 1806** and has taken up and passed **SS** for **HCS** for **HB 1806**, as amended.

Emergency clause adopted.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker has appointed the following conference committee to act with a like committee from the Senate on **SCS** for **HB 1868**, as amended. Representatives: Scharnhorst, Bruns, Hoskins (121), Roorda and Whitehead.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker

has appointed the following conference committee to act with a like committee from the Senate on **HCS** for **SCS** for **SBs 842, 799 and 809**, as amended. Representatives: Stream, Sater, Jones (89), McClanahan and McDonald.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 791**, entitled:

An Act to repeal sections 204.300, 204.472, 204.571, 250.233, 393.150, 393.1000, 393.1003, 644.036, 644.054, and 660.122, RSMo, and to enact in lieu thereof twelve new sections relating to utilities, with an emergency clause for certain sections.

With House Amendment No. 1 to House Amendment No. 2, House Amendment No. 2, as amended, and House Amendment Nos. 3 and 4.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 2

Amend House Amendment No. 2 to House Committee Substitute for Senate Bill No. 791, Page 2, Line 5, by deleting the word "**When**" and inserting in lieu thereof the word "**Where**"; and

Further amend said amendment, Page 2, Line 8, by deleting the words "**late than one hundred sixty five**" and inserting in lieu thereof the following words "**later than two hundred fifty**"; and

Further amend said amendment, Page 2, Line 12, by inserting after all of said line the following:

"Further amend said bill, Page 8, Section 393.150, Line 23, by deleting the words "[six] **two months.**" and inserting in lieu thereof the following "**six months if the suspension pertains to a filing made prior to January 1, 2011, or, for a further period not to exceed one hundred fifty days if the suspension pertains to a filing made on January 1, 2011 or thereafter.**"; and"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Bill No. 791, Page 6, Section 250.233, Line 11, by inserting after all of said line the following:

" 386.390. 1. Complaint may be made by the commission of its own motion, or by the public counsel or any corporation or person, chamber of commerce, board of trade, or any civic, commercial, mercantile, traffic, agricultural or manufacturing association or organization, or any body politic or municipal corporation, by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any corporation, person or public utility, including any rule, regulation or charge heretofore established or fixed by or for any corporation, person or public utility, in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the commission; provided, that no complaint shall be entertained by the commission, except upon its own motion, as to the reasonableness of any rates or charges of any gas, electrical, water, sewer, or telephone corporation, unless the same be signed by the public counsel or the mayor or the president or chairman of the board of aldermen or a majority of the council, commission or other legislative body of any city, town, village or county, within which the alleged violation occurred, or not less than twenty-five consumers or purchasers, or prospective consumers or purchasers, of such gas, electricity, water, sewer or telephone service.

2. All matters upon which complaint may be founded may be joined in one hearing, and no motion shall be entertained against a complaint for misjoinder of causes of action or grievances or misjoinder or nonjoinder of parties; and in any review by the courts of orders or decisions of the commission the same rule shall apply with regard to the joinder of causes and parties as herein provided.

3. The commission shall not be required to dismiss any complaint because of the absence of direct damage to the complainant. Upon the filing of a complaint, the commission shall cause a copy thereof to be served upon the public utility, corporation or person complained of.

4. Service in all hearings, investigations and proceedings pending before the commission may be made upon any person upon whom summons may be served in accordance with the provisions of the code of civil procedure of this state, and may be made personally or by mailing in a sealed envelope with postage prepaid.

5. The commission shall fix the time when and the place where a hearing will be had upon the complaint and shall serve notice thereof, not less than ten days before the time set for such hearing, unless the commission shall find that the public necessity requires that such hearing be held at an earlier date. **When the complainant files a complaint alleging that the current rates of an electrical corporation, water corporation, or sewer corporation are unjust and unreasonable, the commission shall issue its order deciding the complaint and prescribing the rates that it finds to be just and reasonable no later than one hundred sixty five days after the complaint was filed. The rates prescribed by the commission shall take effect no later than twenty days after the issuance of the commission's order under this subsection.**"; and

Further amend said bill, Page 8, Section 386.715, Lines 50-56, by deleting all of said lines; and

Further amend said bill, Page 9, Section 393.150, Line 34, by inserting after the word "remaining." the following:

"The commission may in its discretion permit parties other than the corporation to file cross-surrebuttal to address issues raised by parties other than the corporation in rebuttal testimony on the same date that the corporation has the opportunity to submit surrebuttal testimony."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Bill No. 791, Section 393.320, Page 10, Lines 17 through 26 by removing all of said Lines from the bill and inserting in lieu thereof the following:

"2. The procedures contained in section 393.320 may be chosen by a large water public utility, and if so chosen shall be used by the public service commission to establish the ratemaking rate base of a small water utility during an acquisition."; and

Further amend said Section, Line 3 by deleting from said Line the word: "**The**" and inserting in lieu thereof the word: "**An**"; and

Further amend said Section, Line 30 by inserting after the phrase: "**who is**" the word: "**a**"; and

Further amend said Section, Line 31 by deleting from said Line the word: "**appraisers**" and inserting in lieu thereof the word: "**appraiser**"; and

Further amend said Section, Page 11, Lines 37 and 38 by deleting said Lines and inserting in lieu thereof

the following: **“public utility in a reasonable and timely manner.”**; and

Further amend said Section, Page 11, Lines 41 through 45 by removing all of said Lines from the bill and inserting in lieu thereof the following:

“4. Nothing in this section shall prohibit a party from declining to proceed with an acquisition or be deemed as establishing the final purchase price of an acquisition.”; and

Further amend said Section, Page 11, Line 65 by deleting from said Line the phrase: **“paid prior to the sale”** and inserting in lieu thereof the phrase: **“resolved prior to the transfer of ownership”**; and

Further amend said Section, Page 12, Lines 70 through 72 by deleting all of said Lines and inserting in lieu thereof the following:

“6. Any new permit issued pursuant to chapters 640 and 644, when a small water system is acquired by a large water public utility, shall include a plan to resolve all outstanding permit compliance issues. After the transfer of ownership, the acquiring large public water utility shall continue providing service to all customers that were served by the small water utility at the time of sale.

7. This section is intended for the specific and unique purpose of determining the ratemaking rate base of small water utilities and shall be exclusively applied to large water public utilities in the acquisition of a small water utility.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Bill No. 791, Page 1, Section A, Line 4, by inserting after all of said line the following:

“67.2800. 1. Sections 67.2800 to 67.2835 shall be known and may be cited as the “Property Assessment Clean Energy Act”.

2. The general assembly hereby finds, determines, and declares that:

(1) The development, production, and efficient use of renewable energy, as well as the installation and implementation of energy efficiency improvements to privately and publicly owned property, will create jobs for residents of the state, advance the economic well-being and public and environmental health of the state, and contribute to the energy independence of the nation; and

(2) The financing of energy efficiency and renewable energy improvement projects and privately and publicly owned property, as provided by sections 67.2800 to 67.2835, will serve a valid public purpose and the primary intent of sections 67.2800 to 67.2835 is to promote such public purpose.

3. As used in sections 67.2800 to 67.2835, the following words and terms shall mean:

(1) “Assessment contract”, a contract entered into between a clean energy development board and a property owner under which the property owner agrees to pay an annual assessment for a period of up to twenty years in exchange for financing of an energy efficiency improvement or a renewable energy improvement;

(2) “Authority”, the state environmental improvement and energy resources authority established under section 260.010;

(3) **“Bond”, any bond, note, or other similar instrument issued by or on behalf of a clean energy development board;**

(4) **“Clean energy conduit financing”, the financing of energy efficiency improvements or renewable energy improvements for a single parcel of property or a unified development consisting of multiple adjoining parcels of property under section 67.2825;**

(5) **“Clean energy development board”, a board formed by one or more municipalities under section 67.2810;**

(6) **“Director”, the director of the department of economic development;**

(7) **“Energy efficiency improvement”, any acquisition, installation, or modification on or of publicly or privately owned property designed to reduce the energy consumption of such property, including but not limited to:**

(a) **Insulation in walls, roofs, attics, floors, foundations, and heating and cooling distribution systems;**

(b) **Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective windows and doors, and other window and door improvements designed to reduce energy consumption;**

(c) **Automatic energy control systems;**

(d) **Heating, ventilating, or air conditioning distribution system modifications and replacements;**

(e) **Caulking and weatherstripping;**

(f) **Replacement or modification of lighting fixtures to increase energy efficiency of the lighting system without increasing the overall illumination of the building unless the increase in illumination is necessary to conform to applicable state or local building codes;**

(g) **Energy recovery systems; and**

(h) **Daylighting systems;**

(8) **“Municipality”, any county, city, or incorporated town or village of this state;**

(9) **“Project”, any energy efficiency improvement or renewable energy improvement;**

(10) **“Property assessed clean energy local finance fund”, the fund established by the authority for the purpose of making loans to clean energy development boards to establish and maintain property assessed clean energy programs;**

(11) **“Property assessed clean energy program”, a program established by a clean energy development board to finance energy efficiency improvements or renewable energy improvements under section 67.2820;**

(12) **“Renewable energy improvement”, any acquisition and installation of a fixture, product, system, device, or combination thereof on publicly or privately owned property that produces energy from renewable resources, including, but not limited to photovoltaic systems, solar thermal systems, wind systems, biomass systems, or geothermal systems.**

4. All projects undertaken under sections 67.2800 to 67.2835 are subject to the applicable

municipality's ordinances and regulations, including, but not limited to those ordinances and regulations concerning zoning, subdivision, building, fire safety, and historic or architectural review.

67.2805. 1. The authority may, as needed, promulgate administrative rules and regulations relating to the following:

(1) Guidelines and specifications for administering the property assessed clean energy local finance fund; and

(2) Any clarification to the definitions of energy efficiency improvement and renewable energy improvement as the authority may determine is necessary or advisable.

2. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2010, shall be invalid and void.

67.2810. 1. One or more municipalities may form clean energy development boards for the purpose of exercising the powers described in sections 67.2800 to 67.2835. Each clean energy development board shall consist of not less than three members, as set forth in the ordinance or order establishing the clean energy development board. Members shall serve terms as set forth in the ordinance or order establishing the clean energy development board and shall be appointed:

(1) If only one municipality is participating in the clean energy development board, by the chief elected officer of the municipality with the consent of the governing body of the municipality; or

(2) If more than one municipality is participating, in a manner agreed to by all participating municipalities.

2. A clean energy development board shall be a separate body politic and corporate and shall have all powers necessary and convenient to carry out and effectuate the provisions of sections 67.2800 to 68.2835, including, but not limited to the following:

(1) To adopt, amend, and repeal bylaws, which are not inconsistent with sections 67.2800 to 68.2835;

(2) To adopt an official seal;

(3) To sue and be sued;

(4) To make and enter into contracts and other instruments with public and private entities;

(5) To accept grants, guarantees, and donations of property, labor, services, and other things of value from any public or private source;

(6) To employ or contract for such managerial, legal, technical, clerical, accounting, or other assistance it deems advisable;

(7) To levy and collect special assessments under an assessment contract with a property owner and to record such special assessments as a lien on the property;

(8) To borrow money from any public or private source and issue bonds and provide security for the repayment of the same;

(9) To finance a project under an assessment contract;

(10) To collect reasonable fees and charges in connection with making and servicing assessment contracts and in connection with any technical, consultative, or project assistance services offered;

(11) To invest any funds not required for immediate disbursement in obligations of the state of Missouri or of the United States or any agency or instrumentality thereof, or in bank certificates of deposit; provided, however, the limitations on investments provided in this subdivision shall not apply to proceeds acquired from the sale of bonds which are held by a corporate trustee; and

(12) To take whatever actions necessary to participate in and administer a clean energy conduit financing or a property assessed clean energy program.

3. No later than July first of each year, the clean energy development board shall file with each municipality that participated in the formation of the clean energy development board, an annual report for the preceding calendar year that includes:

(1) A brief description of each project financed by the clean energy development board during the preceding calendar year;

(2) The amount of assessments due and the amount collected during the preceding calendar year;

(3) The amount of clean energy development board administrative costs incurred during the preceding calendar year;

(4) The estimated cumulative energy savings resulting from all energy efficiency improvements financed during the preceding calendar year; and

(5) The estimated cumulative energy produced by all renewable energy improvements financed during the preceding calendar year.

4. No lawsuit to set aside the formation of a clean energy development board or to otherwise question the proceedings related thereto shall be brought after the expiration of sixty days from the effective date of the ordinance or order creating the clean energy development board. No lawsuit to set aside the approval of a project, an assessment contract, or a special assessment levied by a clean energy development board, or to otherwise question the proceedings related thereto shall be brought after the expiration of sixty days from the date that the assessment contract is executed.

67.2815. 1. A clean energy development board shall not enter into an assessment contract or levy or collect a special assessment for a project without making a finding that there are sufficient resources to complete the project and that the estimated economic benefit expected from the project during the financing period is equal to or greater than the cost of the project.

2. An assessment contract shall be executed by the clean energy development board and the benefitted property owner or property owners and shall provide:

(1) A description of the project, including the estimated cost of the project and details on how the project will either reduce energy consumption or create energy from renewable sources;

(2) A mechanism for:

(a) Verifying the final costs of the project upon its completion; and

(b) Ensuring that any amounts advanced or otherwise paid by the clean energy development board toward costs of the project will not exceed the final cost of the project;

(3) An acknowledgment by the property owner that the property owner has received or will receive a special benefit by financing a project through the clean energy development board that equals or exceeds the total assessments due under the assessment contract;

(4) An agreement by the property owner to pay annual special assessments for a period not to exceed twenty years, as specified in the assessment contract;

(5) A distribution of assessment amounts among all parcels of real property subject to the assessment contract;

(6) A statement that the obligations set forth in the assessment contract, including the obligation to pay annual special assessments, are a covenant that shall run with the land and be obligations upon future owners of such property; and

(7) An acknowledgment that no subdivision of property subject to the assessment contract shall be valid unless the assessment contract or an amendment thereof divides the total annual special assessment due between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

3. The total special assessments levied against a property under an assessment contract shall not exceed the sum of the cost of the project, including any required energy audits and inspections, or portion thereof financed through the participation in a property assessed clean energy program or clean energy conduit financing, including the costs of any audits or inspections required by the clean energy development board, plus such administration fees, interest, and other financing costs reasonably required by the clean energy development board.

4. The clean energy development board shall provide a copy of each signed assessment contract to the local county assessor and county collector and shall cause a copy of such assessment contract to be recorded in the real estate records of the county recorder of deeds.

5. Special assessments agreed to under an assessment contract shall be a lien on the property against which it is assessed on behalf of the applicable clean energy development board from the date that each annual assessment under the assessment contract becomes due. Such special assessments shall be collected by the county collector in the same manner and with the same priority as ad valorem real property taxes. Once collected, the county collector shall pay over such special assessment revenues to the clean energy development board in the same manner in which revenues from ad valorem real property taxes are paid to other taxing districts. Such special assessments shall be collected as provided in this subsection from all subsequent property owners, including the state and all political subdivisions thereof, for the term of the assessment contract.

6. Any clean energy development board that contracts for outside administrative services to provide financing origination for a project shall offer the right of first refusal to enter into such a contract to a federally insured depository institution with a physical presence in Missouri upon the same terms and conditions as would otherwise be approved by the clean energy development board. Such right of first refusal shall not be applicable to the origination of any transaction that involves

the issuance of bonds by the clean energy development board.

67.2820. 1. Any clean energy development board may establish a property assessed clean energy program to finance energy efficiency improvements or renewable energy improvements. A property assessed clean energy program shall consist of a program whereby a property owner may apply to a clean energy development board to finance the costs of a project through annual special assessments levied under an assessment contract.

2. A clean energy development board may establish application requirements and criteria for project financing approval as it deems necessary to effectively administer such program and ration available funding among projects, including but not limited to requiring projects to meet certain energy efficiency standards.

3. A clean energy development board may require an initial energy audit as defined in subdivision (4) of subsection 1 of section 640.153, as a prerequisite to project financing through a property assessed clean energy program as well as inspections to verify project completion.

67.2825. 1. In lieu of financing a project through a property assessed clean energy program, a clean energy development board may seek to finance any number of projects to be installed within a single parcel of property or within a unified development consisting of multiple adjoining parcels of property by participating in a clean energy conduit financing.

2. A clean energy conduit financing shall consist of the issuance of bonds under section 67.2830 payable from the special assessment revenues collected under an assessment contract with the property owner participating in the clean energy conduit financing and any other revenues pledged thereto.

67.2830. 1. A clean energy development board may issue bonds payable from special assessment revenues generated by assessment contracts and any other revenues pledged thereto. The bonds shall be authorized by resolution of the clean energy development board, shall bear such date or dates, and shall mature at such time or times as the resolution shall specify, provided that the term of any bonds issued for a clean energy conduit financing shall not exceed twenty years. The bonds shall be in such denomination, bear interest at such rate, be in such form, be issued in such manner, be payable in such place or places, and be subject to redemption as such resolution may provide. Notwithstanding any provision to the contrary under this section, issuance of the bonds shall conform to the requirements of subsection 1 of section 108.170.

2. Any bonds issued under this section shall not constitute an indebtedness of the state or any municipality. Neither the state nor any municipality shall be liable on such bonds, and the form of such bonds shall contain a statement to such effect.

67.2835. The director of the department of economic development is authorized to allocate the state's residual share, or any portion thereof, of the national qualified energy conservation bond limitation under Section 54D of the Internal Revenue Code of 1986, as amended, for any purposes described therein to the authority, any clean energy development board, the state, any political subdivision, instrumentality, or other body corporate and politic.”; and

Further amend said bill, Page 6. Section 250.233, Line 11, by inserting after all of said line the following:

“260.005. As used in sections 260.005 to 260.125, the following words and terms mean:

(1) “Authority”, the state environmental improvement and energy resources authority created by sections 260.005 to 260.125;

(2) “Bonds”, bonds issued by the authority pursuant to the provisions of sections 260.005 to 260.125;

(3) “Cost”, the expense of the acquisition of land, rights-of-way, easements and other interests in real property and the expense of acquiring or constructing buildings, improvements, machinery and equipment relating to any project, including the cost of demolishing or removing any existing structures, interest during the construction of any project and engineering, research, legal, consulting and other expenses necessary or incident to determining the feasibility or practicability of any project and carrying out the same, all of which are to be paid out of the proceeds of the bonds or notes authorized by sections 260.005 to 260.125;

(4) “Disposal of solid waste or sewage”, the entire process of storage, collection, transportation, processing and disposal of solid wastes or sewage;

(5) “Energy conservation”, the reduction of energy consumption;

(6) “Energy efficiency”, the increased productivity or effectiveness of energy resources use, the reduction of energy consumption, or the use of renewable energy sources;

(7) “Notes”, notes issued by the authority pursuant to sections 260.005 to 260.125;

(8) “Pollution”, the placing of any noxious substance in the air or waters or on the lands of this state in sufficient quantity and of such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

(9) “Project”, any facility, including land, disposal areas, incinerators, buildings, fixtures, machinery, equipment, and devices or modifications to a building or facility, acquired or constructed, or to be acquired or constructed for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities or carrying out energy efficiency modifications in, but not limited to, buildings owned by the state or providing for energy conservation or increased energy efficiency **or renewable energy**;

(10) **“Renewable energy”, the production of energy from renewable resources, including, but not limited to, photovoltaic systems, solar thermal systems, wind systems, biomass systems, or geothermal systems;**

(11) “Resource recovery”, the recovery of material or energy from solid waste;

[(11)] (12) “Resource recovery facility”, any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse;

[(12)] (13) “Resource recovery system”, a solid waste management system which provides for collection, separation, recycling, and recovery of solid wastes, including disposal of nonrecoverable waste residues;

[(13)] (14) “Revenues”, all rents, installment payments on notes, interest on loans, revenues, charges and other income received by the authority in connection with any project and any gift, grant, or appropriation received by the authority with respect thereto;

[(14)] (15) “Sewage”, any liquid or gaseous waste resulting from industrial, commercial, agricultural

or community activities in such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

[(15)] **(16)** “Solid waste”, garbage, refuse, discarded materials and undesirable solid and semisolid residual matter resulting from industrial, commercial, agricultural or community activities in such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

[(16)] **(17)** “Synthetic fuels”, any solid, liquid, or gas or combination thereof, which can be used as a substitute for petroleum or natural gas (or any derivatives thereof, including chemical feedstocks) and which is produced by chemical or physical transformation (other than washing, coking, or desulfurizing) of domestic sources of coal, including lignite and peat; shale; tar sands, including heavy oils; water as a source of hydrogen only through electrolysis, and mixtures of coal and combustible liquids including petroleum; and

[(17)] **(18)** “Water facilities”, any facilities for the furnishing of water for industrial, commercial, agricultural or community purposes including, but not limited to, wells, reservoirs, dams, pumping stations, water lines, sewer lines, treatment plants, stabilization ponds, storm sewers, related equipment and machinery.

260.080. No part of the funds of the authority shall inure to the benefit of or be distributable to its members or other private persons except that the authority is authorized and empowered to pay reasonable compensation for services rendered as herein provided for **and to otherwise carry out the provisions of sections 260.005 to 260.125.**”; and

Further amend said title, enacting clause and intersectional references accordingly.

Emergency clause defeated.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS No. 2** for **SCS** for **SB 778**, entitled:

An Act to repeal section 37.005, RSMo, and to enact in lieu thereof twelve new sections relating to the transfer of property, with an emergency clause for certain sections.

Emergency clause defeated.

In which the concurrence of the Senate is respectfully requested.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Shields submitted the following amended conference committee to act with a like committee from the House on **SCS** for **HB 1868**, as amended: Senators Shields, Schaefer, Crowell, Bray and Green.

HOUSE BILLS ON THIRD READING

HB 2109, with **SCS**, introduced by Representative Ruzicka, entitled:

An Act to repeal sections 644.036 and 644.054, RSMo, and to enact in lieu thereof two new sections relating to the Missouri clean water law.

Was called from the Informal Calendar and taken up by Senator Lager.

SCS for **HB 2109**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2109

An Act to repeal sections 644.036, 644.052, and 644.054, RSMo, and to enact in lieu thereof three new sections relating to the Missouri clean water law.

Was taken up.

Senator Lager moved that **SCS** for **HB 2109** be adopted.

Senator Lager offered **SS** for **SCS** for **HB 2109**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2109

An Act to repeal sections 260.262, 260.965, 327.272, 386.210 414.072, 640.100, 644.036, 644.051, 644.054, and 701.033, RSMo, and to enact in lieu thereof thirty new sections relating to natural resources, with penalty provisions and an emergency clause for a certain section.

Senator Lager moved that **SS** for **SCS** for **HB 2109** be adopted.

Senator Dempsey assumed the Chair.

Senator Lager offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2109, Page 48, Section 701.033, Line 10 of said page, by inserting after all of said line the following:

“Section 1. The state auditor shall conduct an audit of any state revolving funds that are administered by the department of natural resources for the purposes of funding wastewater and drinking water infrastructure improvement projects. The state auditor shall issue the completed audit report by December 31, 2010. In addition to the report, the state auditor shall submit a report to the general assembly by December 31, 2010, that shows an itemized list of expenditures made from any such state revolving fund where such expenditures significantly differ in either nature or amount from any expenditures made prior to fiscal year 2009 from such fund.”; and

Further amend said bill, page 48, section B, line 14 of said page, by inserting immediately after the word “act” the following: “and because of the need to ensure the efficient expenditure of public funds, the enactment of section 1 of this act”; and further amend line 18 of said page, by inserting immediately after the word “act” the following: “and the enactment of section 1 of this act”; and

Further amend the title and enacting clause accordingly.

Senator Lager moved that the above amendment be adopted, which motion prevailed.

Senator Griesheimer offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2109, Pages 15-16,

Section 341.230, by striking all of said section from the bill; and

Further amend the title and enacting clause accordingly.

Senator Griesheimer moved that the above amendment be adopted, which motion prevailed.

At the request of Senator Lager, **HB 2109**, with **SCS** and **SS** for **SCS**, as amended (pending), was placed on the Informal Calendar.

Senator Schaefer moved that **HCS** for **HBs 1695, 1742 and 1674**, with **SCS** and **SS** for **SCS** (pending), be called from the Informal Calendar and again taken up for 3rd reading and final passage, which motion prevailed.

SS for **SCS** for **HCS** for **HBs 1695, 1742 and 1674** was again taken up.

Senator Schaefer offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill Nos. 1695, 1742 and 1674, Page 15, Section 542.266, Lines 1-16 of said page, by striking all of said section from the bill; and

Further amend said bill, Page 21, Section 577.010, Lines 16 to 28 of said page, by striking all of said lines; and

Further amend said bill and section, Page 22, Lines 1 and 2 of said page, by striking all of said lines and inserting in lieu thereof the following:

“3. Notwithstanding the provisions of subsection 2 of this section, in a circuit where a DWI court or docket created under section 478.007 or other court-ordered treatment program is available, no person who operated a motor vehicle with fifteen-hundredths of one percent or more by weight of alcohol in such person’s blood shall be granted a suspended imposition of sentence unless the individual participates and successfully completes a program under such DWI court or docket or other court-ordered treatment program.

4. If a person is not granted a suspended imposition of sentence for the reasons described in subsection 3 of this section, for such first offense:

(1) If the individual operated the motor vehicle with fifteen-hundredths to twenty-hundredths of one percent by weight of alcohol in such person’s blood, the required term of imprisonment shall be not less than forty-eight hours;

(2) If the individual operated the motor vehicle with greater than twenty-hundredths of one percent by weight of alcohol in such person’s blood, the required term of imprisonment shall be not less than five days.”; and

Further amend said bill, Page 22, Section 577.012, Line 16 of said page, by striking the following: “No person who operated”; and further amend lines 17 to 28 of said page, by striking all of said lines; and

Further amend said bill and section, Page 23, Lines 1 to 3 of said page, by striking all of said lines and inserting in lieu thereof the following:

“4. In a circuit where a DWI court or docket created under section 478.007 or other court-ordered treatment program is available, no person who operated a motor vehicle with fifteen-hundredths of

one percent or more by weight of alcohol in such person's blood shall be granted a suspended imposition of sentence unless the individual participates and successfully completes a program under such DWI court or docket or other court-ordered treatment program.

5. If a person is not granted a suspended imposition of sentence for the reasons described in subsection 4 of this section, for such first offense:

(1) If the individual operated the motor vehicle with fifteen-hundredths to twenty-hundredths of one percent by weight of alcohol in such person's blood, the required term of imprisonment shall be not less than forty-eight hours;

(2) If the individual operated the motor vehicle with greater than twenty-hundredths of one percent by weight of alcohol in such person's blood, the required term of imprisonment shall be not less than five days.”; and

Further amend said bill, Page 26, Section 577.023, Lines 10 to 28 of said page, by striking all of said lines and inserting in lieu thereof the following: “notwithstanding.

(1) No prior offender shall be eligible for parole or probation until he or she has served a minimum of [five] ten days imprisonment[.];

(a) Unless as a condition of such parole or probation such person performs at least thirty days of community service under the supervision of the court in those jurisdictions which have a recognized program for community service; or

(b) The offender participates in and successfully completes a program established pursuant to section 478.007 or other court-ordered treatment program, if available.

(2) No persistent offender shall be eligible for parole or probation until he or she has served a minimum of [ten] thirty days imprisonment[.];

(a) Unless as a condition of such parole or probation such person performs at least sixty days of community service under the supervision of the court; or

(b) The offender participates in and successfully completes a program established pursuant to section 478.007 or other court-ordered treatment program, if available.

(3) No aggravated offender shall be eligible for parole or probation until he or she has served a minimum of sixty days imprisonment.

(4) No chronic offender shall be eligible for parole or probation until he or she has served a minimum of two years imprisonment.

In addition to any other terms or conditions of probation, the”; and

Further amend the title and enacting clause accordingly.

Senator Schaefer moved that the above amendment be adopted, which motion prevailed.

Senator Schaefer moved that **SS for SCS for HCS for HBs 1695, 1742 and 1674**, as amended, be adopted, which motion prevailed.

On motion of Senator Schaefer, **SS for SCS for HCS for HBs 1695, 1742 and 1674**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Schaefer, title to the bill was agreed to.

Senator Schaefer moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

Senator Stouffer assumed the Chair.

Senator Engler announced that photographers from KRCG-TV were given permission to take pictures in the Senate Chamber today.

Senator Dempsey moved that **HCS** for **HB 1893**, with **SS** and **SA 2** (pending), be called from the Informal Calendar and again taken up for 3rd reading and final passage, which motion prevailed.

At the request of Senator Dempsey, **SS** for **HCS** for **HB 1893** was withdrawn, rendering **SA 2** moot.

Senator Dempsey offered **SS No. 2** for **HCS** for **HB 1893**, entitled:

SENATE SUBSTITUTE NO. 2 FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1893

An Act to repeal section 313.835, RSMo, and to enact in lieu thereof three new sections relating to excursion gambling boats.

Senator Dempsey moved that **SS No. 2** for **HCS** for **HB 1893** be adopted, which motion prevailed.

On motion of Senator Dempsey, **SS No. 2** for **HCS** for **HB 1893** was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bray	Callahan	Champion	Clemens	Crowell	Cunningham	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp
Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson
Wright-Jones—33							

NAYS—Senator Bartle—1

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Dempsey, title to the bill was agreed to.

Senator Dempsey moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker has appointed the following conference committee to act with a like committee from the Senate on **HCS No. 2** for **SB 844**. Representatives: Jones (89), Tilley, Nieves, Nasheed and Hoskins (80).

President Pro Tem Shields assumed the Chair.

REPORTS OF STANDING COMMITTEES

Senator Scott, Chairman of the Committee on Financial and Governmental Organizations and Elections, submitted the following report:

Mr. President: Your Committee on Financial and Governmental Organizations and Elections, to which was referred **HCS** for **HB 2201**, begs leave to report that it has considered the same and recommends that the Senate Committee Substitute, hereto attached, do pass.

Senator Stouffer assumed the Chair.

CONCURRENT RESOLUTIONS

Senator Schmitt moved that **SCR 36**, with **HCS**, be taken up for adoption, which motion prevailed.

HCS for **SCR 36** was taken up.

Senator Schmitt moved that **HCS** for **SCR 36** be adopted, which motion prevailed.

On motion of Senator Schmitt, **SCR 36**, as amended by **HCS**, was adopted by the following vote:

YEAS—Senators

Barnitz	Bartle	Callahan	Champion	Clemens	Crowell	Cunningham	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Lager	Lembke
Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp	Schaefer
Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—32

NAYS—Senator Keaveny—1

Absent—Senator Bray—1

Absent with leave—Senators—None

Vacancies—None

Senator Lembke moved that **HCR 46** be taken up for adoption, which motion prevailed.

Senator Green offered **SA 1**, which was read:

SENATE AMENDMENT NO. 1

Amend House Concurrent Resolution No. 46, as it appears on Page 628 of the Senate Journal for Tuesday, March 23, 2010, Lines 6-10 of said journal page, by striking all of said lines from the resolution; and

Further amend lines 37-39 of said journal page by striking all of said lines from the resolution.

Senator Green moved that the above amendment be adopted, which motion prevailed.

On motion of Senator Lembke, **HCR 46**, as amended, was adopted by the following vote:

YEAS—Senators

Barnitz	Bartle	Callahan	Champion	Clemens	Crowell	Cunningham	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Keaveny	Lager	Lembke
Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp	Schaefer
Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—32

NAYS—Senator Bray—1

Absent—Senator Justus—1

Absent with leave—Senators—None

Vacancies—None

HOUSE BILLS ON THIRD READING

HCS for **HB 1541**, with **SCS**, entitled:

An Act to repeal section 78.090, RSMo, and to enact in lieu thereof one new section relating to primary elections.

Was called from the Informal Calendar and taken up by Senator Goodman.

SCS for **HCS** for **HB 1541**, entitled:

**SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1541**

An Act to repeal sections 78.090 and 115.134, RSMo, and to enact in lieu thereof two new sections relating to local elections.

Was taken up.

Senator Goodman moved that **SCS** for **HCS** for **HB 1541** be adopted.

Senator Goodman offered **SS** for **SCS** for **HCS** for **HB 1541**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1541

An Act to repeal sections 67.2000, 78.090, and 94.577, RSMo, and to enact in lieu thereof five new sections relating to local elections, with an emergency clause for a certain section.

Senator Goodman moved that **SS** for **SCS** for **HCS** for **HB 1541** be adopted.

At the request of Senator Goodman, **HCS** for **HB 1541**, with **SCS** and **SS** for **SCS** (pending), was placed on the Informal Calendar.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **SCS** for **HCS** for **HBs 1311** and **1341** and has taken up and passed **CCS** for **SCS** for **HCS** for **HBs 1311** and **1341**.

PRIVILEGED MOTIONS

Senator Rupp, on behalf of the conference committee appointed to act with a like committee from the House on **SCS** for **HCS** for **HBs 1311** and **1341**, moved that the following conference committee report be taken up, which motion prevailed.

CONFERENCE COMMITTEE REPORT ON
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 1311 & 1341

The Conference Committee appointed on Senate Committee Substitute for House Committee Substitute for House Bill Nos. 1311 & 1341, begs leave to report that we, after free and fair discussion of the differences, have agreed to recommend and do recommend to the respective bodies as follows:

1. That the Senate recede from its position on Senate Committee Substitute for House Committee Substitute for House Bill Nos. 1311 & 1341;
2. The House recede from its position on House Committee Substitute for House Bill Nos. 1311 & 1341;
3. That the attached Conference Committee Substitute for Senate Committee Substitute for House Committee Substitute for House Bill Nos. 1311 & 1341, be Third Read and Finally Passed.

FOR THE HOUSE:

/s/ Dwight Scharnhorst
/s/ Wayne Cooper
/s/ Bob Nance

FOR THE SENATE:

/s/ Scott T. Rupp
/s/ Eric S. Schmitt
/s/ Jason Crowell

/s/ Paul Levota
/s/ Jason Grill

/s/ Rita Heard Days
/s/ Ryan McKenna

Senator Rupp moved that the above conference committee report be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bray	Callahan	Champion	Clemens	Crowell	Days	Dempsey
Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager	Lembke
Mayer	McKenna	Nodler	Pearce	Rupp	Schaefer	Schmitt	Shields
Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—29			

NAYS—Senators

Bartle	Cunningham	Purgason	Scott—4
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Absent—Senator Ridgeway—1

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Rupp, **CCS** for **SCS** for **HCS** for **HBs 1311** and **1341**, entitled:

CONFERENCE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 1311 & 1341

An Act to amend chapters 337 and 376, RSMo, by adding thereto eleven new sections relating to autism spectrum disorders, with penalty provisions.

Was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bray	Callahan	Champion	Clemens	Crowell	Days	Dempsey
Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager	Mayer
McKenna	Nodler	Pearce	Rupp	Schaefer	Schmitt	Shields	Shoemyer
Vogel	Wilson	Wright-Jones—27					

NAYS—Senators

Bartle	Cunningham	Purgason	Ridgeway	Scott	Stouffer—6
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Absent—Senator Lembke—1

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Rupp, title to the bill was agreed to.

Senator Rupp moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

RESOLUTIONS

Senator Barnitz offered Senate Resolution No. 2505, regarding Christopher Paul Higgins, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2506, regarding Arlene Dochterman, Memphis, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2507, regarding Lois R. Bertram, Memphis, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2508, regarding Sarah L. Myers, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2509, regarding Myrtle Marie Alexander, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2510, regarding David P. Boden, Rutledge, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2511, regarding Debra R. Caldwell, Memphis, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2512, regarding James H. Paris, Memphis, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2513, regarding Samuel Berkowitz, Memphis, which was adopted.

Senator Shoemyer offered Senate Resolution No. 2514, regarding Arnold Preussner, Kirksville, which was adopted.

Senator Purgason offered Senate Resolution No. 2515, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Lyle Harrison, Mountain Grove, which was adopted.

Senator Purgason offered Senate Resolution No. 2516, regarding the Sixtieth Wedding Anniversary of Mr. and Mrs. Virgil Stowers, West Plains, which was adopted.

Senator Bray offered Senate Resolution No. 2517, regarding Peter Grayson, Clayton, which was adopted.

Senator Bray offered Senate Resolution No. 2518, regarding Ben Banet, University City, which was adopted.

Senator Barnitz offered Senate Resolution No. 2519, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Melvin R. Waites, Sligo, which was adopted.

Senators Goodman and McKenna offered Senate Resolution No. 2520, regarding R.B. "Bob" Smith, III, which was adopted.

Senator Goodman offered Senate Resolution No. 2521, regarding Carol Hirsch, Pierce City, which was

adopted.

On motion of Senator Engler, the Senate recessed until 1:00 p.m.

RECESS

The time of recess having expired, the Senate was called to order by Senator Dempsey.

RESOLUTIONS

Senator Stouffer offered Senate Resolution No. 2522, regarding Robert Eugene Barlow, Hale, which was adopted.

Senator Stouffer offered Senate Resolution No. 2523, regarding Travis Wayne Noyes, Macon, which was adopted.

Senator Green offered Senate Resolution No. 2524, regarding John J. Flynn, which was adopted.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 940**, entitled:

An Act to repeal sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, and to enact in lieu thereof seven new sections relating to bingo, with penalty provisions.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **HCS** for **SCS** for **SB 733**, as amended, and has taken up and passed **CCS** for **HCS** for **SCS** for **SB 733**.

Emergency clause adopted.

Bill ordered enrolled.

HOUSE BILLS ON THIRD READING

HB 2205, with **SCS**, introduced by Representative Burlison, entitled:

An Act to repeal sections 354.442 and 376.1450, RSMo, and to enact in lieu thereof two new sections relating to documents and materials for health insurance enrollees.

Was taken up by Senator Rupp.

SCS for **HB 2205**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2205

An Act to repeal sections 354.442, 375.1152, 375.1155, 375.1175, 375.1255, and 376.1109, RSMo, and to enact in lieu thereof twelve new sections relating to insurance.

Was taken up.

Senator Rupp moved that **SCS** for **HB 2205** be adopted.

Senator Rupp offered **SS** for **SCS** for **HB 2205**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2205

An Act to repeal sections 208.950, 354.442, 375.1152, 375.1155, 375.1175, 375.1255, 376.717, 376.718, 376.724, 376.725, 376.732, 376.733, 376.734, 376.735, 376.737, 376.738, 376.740, 376.743, 376.758, 376.816, and 376.1109, RSMo, and to enact in lieu thereof twenty-seven new sections relating to insurance, with an expiration date for certain section.

Senator Rupp moved that **SS** for **SCS** for **HB 2205** be adopted.

Senator Mayer offered **SA 1**, which was read:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2205, Pages 1-4, Section 208.183, by striking all of said section from the bill; and

Further amend said bill, pages 4-7, section 208.950, by striking all of said section from the bill; and

Further amend the title and enacting clause accordingly.

Senator Mayer moved that the above amendment be adopted, which motion prevailed.

Senator Schmitt offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2205, Page 4, Section 208.183, Line 11, by inserting after all of said line the following:

“208.215. 1. MO HealthNet is payer of last resort unless otherwise specified by law. When any person, corporation, institution, public agency or private agency is liable, either pursuant to contract or otherwise, to a participant receiving public assistance on account of personal injury to or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled, payments made by the department of social services or MO HealthNet division shall be a debt due the state and recoverable from the liable party or participant for all payments made [in] **on** behalf of the participant and the debt due the state shall not exceed the payments made from MO HealthNet benefits provided under sections 208.151 to 208.158 and section 208.162 and section 208.204 on behalf of the participant, minor or estate for payments on account of the injury, disease, or disability or benefits arising from a health insurance program to which the participant may be entitled. **Any health benefit plan as defined in section 376.1350, third party administrator, administrative service organization, and pharmacy benefits manager, shall process and pay all properly submitted medical assistance subrogation claims or MO HealthNet subrogation claims using standard electronic transactions or paper claim forms:**

(1) For a period of three years from the date services were provided or rendered; however, an entity:

(a) Shall not be required to reimburse for items or services which are not covered under MO HealthNet;

(b) Shall not deny a claim submitted by the state solely on the basis of the date of submission of

the claim, the type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to provide prior authorization;

(c) Shall not be required to reimburse for items or services for which a claim was previously submitted to the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager by the health care provider or the participant and the claim was properly denied by the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager for procedural reasons, except for timely filing, type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to obtain prior authorization;

(d) Shall not be required to reimburse for items or services which are not covered under or were not covered under the plan offered by the entity against which a claim for subrogation has been filed; and

(e) Shall reimburse for items or services to the same extent that the entity would have been liable as if it had been properly billed at the point of sale, and the amount due is limited to what the entity would have paid as if it had been properly billed at the point of sale; and

(2) If any action by the state to enforce its rights with respect to such claim is commenced within six years of the state's submission of such claim.

2. The department of social services, MO HealthNet division, or its contractor may maintain an appropriate action to recover funds paid by the department of social services or MO HealthNet division or its contractor that are due under this section in the name of the state of Missouri against the person, corporation, institution, public agency, or private agency liable to the participant, minor or estate.

3. Any participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death who pursues legal rights against a person, corporation, institution, public agency, or private agency liable to that participant or minor for injuries, disease or disability or benefits arising from a health insurance plan to which the participant may be entitled as outlined in subsection 1 of this section shall upon actual knowledge that the department of social services or MO HealthNet division has paid MO HealthNet benefits as defined by this chapter promptly notify the MO HealthNet division as to the pursuit of such legal rights.

4. Every applicant or participant by application assigns his right to the department of social services or MO HealthNet division of any funds recovered or expected to be recovered to the extent provided for in this section. All applicants and participants, including a person authorized by the probate code, shall cooperate with the department of social services, MO HealthNet division in identifying and providing information to assist the state in pursuing any third party who may be liable to pay for care and services available under the state's plan for MO HealthNet benefits as provided in sections 208.151 to 208.159 and sections 208.162 and 208.204. All applicants and participants shall cooperate with the agency in obtaining third-party resources due to the applicant, participant, or child for whom assistance is claimed. Failure to cooperate without good cause as determined by the department of social services, MO HealthNet division in accordance with federally prescribed standards shall render the applicant or participant ineligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204. A [recipient] **participant** who has notice or who has actual knowledge of the department's rights to third-party benefits who receives any third-party benefit or proceeds for a covered illness or injury is either required to pay the division within sixty days after receipt of settlement proceeds the full amount of the third-party benefits up

to the total MO HealthNet benefits provided or to place the full amount of the third-party benefits in a trust account for the benefit of the division pending judicial or administrative determination of the division's right to third-party benefits.

5. Every person, corporation or partnership who acts for or on behalf of a person who is or was eligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204 for purposes of pursuing the applicant's or participant's claim which accrued as a result of a nonoccupational or nonwork-related incident or occurrence resulting in the payment of MO HealthNet benefits shall notify the MO HealthNet division upon agreeing to assist such person and further shall notify the MO HealthNet division of any institution of a proceeding, settlement or the results of the pursuit of the claim and give thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or participant to recover damages for such injuries, disease, or disability, or benefits arising from a health insurance program to which the participant may be entitled.

6. Every participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death, or his attorney or legal representative shall promptly notify the MO HealthNet division of any recovery from a third party and shall immediately reimburse the department of social services, MO HealthNet division, or its contractor from the proceeds of any settlement, judgment, or other recovery in any action or claim initiated against any such third party. A judgment, award, or settlement in an action by a [recipient] **participant** to recover damages for injuries or other third-party benefits in which the division has an interest may not be satisfied without first giving the division notice and a reasonable opportunity to file and satisfy the claim or proceed with any action as otherwise permitted by law.

7. The department of social services, MO HealthNet division or its contractor shall have a right to recover the amount of payments made to a provider under this chapter because of an injury, disease, or disability, or benefits arising from a health insurance plan to which the participant may be entitled for which a third party is or may be liable in contract, tort or otherwise under law or equity. Upon request by the MO HealthNet division, all third-party payers shall provide the MO HealthNet division with information contained in a 270/271 Health Care Eligibility Benefits Inquiry and Response standard transaction mandated under the federal Health Insurance Portability and Accountability Act, except that third-party payers shall not include accident-only, specified disease, disability income, hospital indemnity, or other fixed indemnity insurance policies.

8. The department of social services or MO HealthNet division shall have a lien upon any moneys to be paid by any insurance company or similar business enterprise, person, corporation, institution, public agency or private agency in settlement or satisfaction of a judgment on any claim for injuries or disability or disease benefits arising from a health insurance program to which the participant may be entitled which resulted in medical expenses for which the department or MO HealthNet division made payment. This lien shall also be applicable to any moneys which may come into the possession of any attorney who is handling the claim for injuries, or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled which resulted in payments made by the department or MO HealthNet division. In each case, a lien notice shall be served by certified mail or registered mail, upon the party or parties against whom the applicant or participant has a claim, demand or cause of action. The lien shall claim the charge and describe the interest the department or MO HealthNet division has in the claim, demand or cause of action. The lien shall attach to any verdict or judgment entered and to any money or property which may be recovered on account of such claim, demand, cause of action or suit from and after the time of the service

of the notice.

9. On petition filed by the department, or by the participant, or by the defendant, the court, on written notice of all interested parties, may adjudicate the rights of the parties and enforce the charge. The court may approve the settlement of any claim, demand or cause of action either before or after a verdict, and nothing in this section shall be construed as requiring the actual trial or final adjudication of any claim, demand or cause of action upon which the department has charge. The court may determine what portion of the recovery shall be paid to the department against the recovery. In making this determination the court shall conduct an evidentiary hearing and shall consider competent evidence pertaining to the following matters:

(1) The amount of the charge sought to be enforced against the recovery when expressed as a percentage of the gross amount of the recovery; the amount of the charge sought to be enforced against the recovery when expressed as a percentage of the amount obtained by subtracting from the gross amount of the recovery the total attorney's fees and other costs incurred by the participant incident to the recovery; and whether the department should, as a matter of fairness and equity, bear its proportionate share of the fees and costs incurred to generate the recovery from which the charge is sought to be satisfied;

(2) The amount, if any, of the attorney's fees and other costs incurred by the participant incident to the recovery and paid by the participant up to the time of recovery, and the amount of such fees and costs remaining unpaid at the time of recovery;

(3) The total hospital, doctor and other medical expenses incurred for care and treatment of the injury to the date of recovery therefor, the portion of such expenses theretofore paid by the participant, by insurance provided by the participant, and by the department, and the amount of such previously incurred expenses which remain unpaid at the time of recovery and by whom such incurred, unpaid expenses are to be paid;

(4) Whether the recovery represents less than substantially full recompense for the injury and the hospital, doctor and other medical expenses incurred to the date of recovery for the care and treatment of the injury, so that reduction of the charge sought to be enforced against the recovery would not likely result in a double recovery or unjust enrichment to the participant;

(5) The age of the participant and of persons dependent for support upon the participant, the nature and permanency of the participant's injuries as they affect not only the future employability and education of the participant but also the reasonably necessary and foreseeable future material, maintenance, medical rehabilitative and training needs of the participant, the cost of such reasonably necessary and foreseeable future needs, and the resources available to meet such needs and pay such costs;

(6) The realistic ability of the participant to repay in whole or in part the charge sought to be enforced against the recovery when judged in light of the factors enumerated above.

10. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking such reduction. **The computerized records of the MO HealthNet division, certified by the director or his designee, shall be prima facie evidence of proof of moneys expended and the amount of the debt due the state.**

11. The court may reduce and apportion the department's or MO HealthNet division's lien proportionate to the recovery of the claimant. The court may consider the nature and extent of the injury, economic and noneconomic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs,

physician costs, and all other appropriate costs. The department or MO HealthNet division shall pay its pro rata share of the attorney's fees based on the department's or MO HealthNet division's lien as it compares to the total settlement agreed upon. This section shall not affect the priority of an attorney's lien under section 484.140, RSMo. The charges of the department or MO HealthNet division or contractor described in this section, however, shall take priority over all other liens and charges existing under the laws of the state of Missouri with the exception of the attorney's lien under such statute.

12. Whenever the department of social services or MO HealthNet division has a statutory charge under this section against a recovery for damages incurred by a participant because of its advancement of any assistance, such charge shall not be satisfied out of any recovery until the attorney's claim for fees is satisfied, [irrespective] **regardless** of whether [or not] an action based on participant's claim has been filed in court. Nothing herein shall prohibit the director from entering into a compromise agreement with any participant, after consideration of the factors in subsections 9 to 13 of this section.

13. This section shall be inapplicable to any claim, demand or cause of action arising under the workers' compensation act, chapter 287, RSMo. From funds recovered pursuant to this section the federal government shall be paid a portion thereof equal to the proportionate part originally provided by the federal government to pay for MO HealthNet benefits to the participant or minor involved. The department or MO HealthNet division shall enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on permanently institutionalized individuals. The department or MO HealthNet division shall have the right to enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on all other institutionalized individuals. For the purposes of this subsection, "permanently institutionalized individuals" includes those people who the department or MO HealthNet division determines cannot reasonably be expected to be discharged and return home, and "property" includes the homestead and all other personal and real property in which the participant has sole legal interest or a legal interest based upon co-ownership of the property which is the result of a transfer of property for less than the fair market value within thirty months prior to the participant's entering the nursing facility. The following provisions shall apply to such liens:

(1) The lien shall be for the debt due the state for MO HealthNet benefits paid or to be paid on behalf of a participant. The amount of the lien shall be for the full amount due the state at the time the lien is enforced;

(2) The MO HealthNet division shall file for record, with the recorder of deeds of the county in which any real property of the participant is situated, a written notice of the lien. The notice of lien shall contain the name of the participant and a description of the real estate. The recorder shall note the time of receiving such notice, and shall record and index the notice of lien in the same manner as deeds of real estate are required to be recorded and indexed. The director or the director's designee may release or discharge all or part of the lien and notice of the release shall also be filed with the recorder. The department of social services, MO HealthNet division, shall provide payment to the recorder of deeds the fees set for similar filings in connection with the filing of a lien and any other necessary documents;

(3) No such lien may be imposed against the property of any individual prior to the individual's death on account of MO HealthNet benefits paid except:

(a) In the case of the real property of an individual:

a. Who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution,

to spend for costs of medical care all but a minimal amount of his or her income required for personal needs; and

b. With respect to whom the director of the MO HealthNet division or the director's designee determines, after notice and opportunity for hearing, that he cannot reasonably be expected to be discharged from the medical institution and to return home. The hearing, if requested, shall proceed under the provisions of chapter 536, RSMo, before a hearing officer designated by the director of the MO HealthNet division; or

(b) Pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual;

(4) No lien may be imposed under paragraph (b) of subdivision (3) of this subsection on such individual's home if one or more of the following persons is lawfully residing in such home:

(a) The spouse of such individual;

(b) Such individual's child who is under twenty-one years of age, or is blind or permanently and totally disabled; or

(c) A sibling of such individual who has an equity interest in such home and who was residing in such individual's home for a period of at least one year immediately before the date of the individual's admission to the medical institution;

(5) Any lien imposed with respect to an individual pursuant to subparagraph b of paragraph (a) of subdivision (3) of this subsection shall dissolve upon that individual's discharge from the medical institution and return home.

14. The debt due the state provided by this section is subordinate to the lien provided by section 484.130, RSMo, or section 484.140, RSMo, relating to an attorney's lien and to the participant's expenses of the claim against the third party.

15. Application for and acceptance of MO HealthNet benefits under this chapter shall constitute an assignment to the department of social services or MO HealthNet division of any rights to support for the purpose of medical care as determined by a court or administrative order and of any other rights to payment for medical care.

16. All participants receiving benefits as defined in this chapter shall cooperate with the state by reporting to the family support division or the MO HealthNet division, within thirty days, any occurrences where an injury to their persons or to a member of a household who receives MO HealthNet benefits is sustained, on such form or forms as provided by the family support division or MO HealthNet division.

17. If a person fails to comply with the provision of any judicial or administrative decree or temporary order requiring that person to maintain medical insurance on or be responsible for medical expenses for a dependent child, spouse, or ex-spouse, in addition to other remedies available, that person shall be liable to the state for the entire cost of the medical care provided pursuant to eligibility under any public assistance program on behalf of that dependent child, spouse, or ex-spouse during the period for which the required medical care was provided. Where a duty of support exists and no judicial or administrative decree or temporary order for support has been entered, the person owing the duty of support shall be liable to the state for the entire cost of the medical care provided on behalf of the dependent child or spouse to whom the duty of support is owed.

18. The department director or the director's designee may compromise, settle or waive any such claim in whole or in part in the interest of the MO HealthNet program. Notwithstanding any provision in this section to the contrary, the department of social services, MO HealthNet division is not required to seek reimbursement from a liable third party on claims for which the amount it reasonably expects to recover will be less than the cost of recovery or for which recovery efforts will not be cost-effective. Cost-effectiveness is determined based on the following:

(1) Actual and legal issues of liability as may exist between the [recipient] **participant** and the liable party;

(2) Total funds available for settlement; and

(3) An estimate of the cost to the division of pursuing its claim.”; and

Further amend the title and enacting clause accordingly.

Senator Schmitt moved that the above amendment be adopted, which motion prevailed.

Senator Pearce assumed the Chair.

Senator Dempsey offered **SA 3**:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2205, Page 1, Section A, Line 10, by inserting after all of said line the following:

“103.089. Participants in the program of medical benefits coverage provided by sections 103.003 to 103.175 who are eligible for Medicare benefits and who are not eligible for the program of medical benefits coverage provided under sections 103.083 to 103.098 to be their primary plan of coverage benefits shall be [provided the same benefits] **offered actuarially equivalent benefit products** provided participants who are not eligible for Medicare benefits. Medical benefits coverage provided under sections 103.003 to 103.175 shall be coordinated with Medicare benefits for participants covered by part A or part B, or both, of Medicare benefits, or reduced by an amount determined by the claims administrator to provide a benefit equivalent to the amount which would be provided on a coordination of benefit basis for participants not covered by part A or part B, or both, of Medicare benefits. As used in sections 103.083 to 103.098, the term “Medicare benefits” shall include those medical benefits provided by Title XVIII, A and B, Public Law 89-97, 1965 amendments to the federal Social Security Act (42 U.S.C. section 301, et seq.) and amendments thereto. Any participating member agency having employees or eligible retirees not covered by Medicare shall authorize the plan at its option to enroll those individuals for medical benefits as provided by Title XVIII, A and B, Public Law 89-97, 1965 amendments to the federal Social Security Act whenever they become eligible for such benefits and the plan shall pay the premium for such enrollment on behalf of that person. The Medicare premium amounts shall be included in the rate established by the actuary for providing medical benefits coverage to such a participating member agency. Anyone not authorizing this Medicare enrollment shall be denied coverage.”; and

Further amend the title and enacting clause accordingly.

Senator Dempsey moved that the above amendment be adopted, which motion prevailed.

Senator Lager offered **SA 4**:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 2205, Page 77, Section 376.1110, Line 27, by inserting after all of said line the following:

“376.1226. 1. No contract between a health carrier or health benefit plan and a dentist for the provision of dental services under a dental plan shall require that the dentist provide dental services to insureds in the dental plan at a fee established by the health carrier or health benefit plan if such dental services are not covered services under the dental plan.

2. For purposes of this section, the following terms shall mean:

(1) “Covered services”, services reimbursable under an applicable dental plan, subject to such contractual limitations on benefits as may apply, including but not limited to deductibles, waiting periods, or frequency limitations;

(2) “Dental plan”, any policy or contract of insurance which provides for coverage of dental services;

(3) “Health benefit plan”, the same meaning as such term is defined in section 376.1350;

(4) “Health carrier”, the same meaning as such term is defined in section 376.1350.”; and

Further amend the title and enacting clause accordingly.

Senator Lager moved that the above amendment be adopted, which motion prevailed.

Senator Dempsey assumed the Chair.

Senator Rupp moved that **SS** for **SCS** for **HB 2205**, as amended, be adopted, which motion prevailed.

Senator Rupp moved that **SS** for **SCS** for **HB 2205**, as amended, be read the 3rd time and passed and was recognized to close.

President Pro Tem Shields referred **SS** for **SCS** for **HB 2205**, as amended, to the Committee on Governmental Accountability and Fiscal Oversight.

HCS for **HB 2070**, entitled:

An Act to repeal section 321.243, RSMo, and to enact in lieu thereof one new section relating to taxes for joint central fire and emergency dispatching services.

Was called from the Informal Calendar and taken up by Senator Schaefer.

Senator Lembke offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend House Committee Substitute for House Bill No. 2070, Page 1, Section A, Line 2, by inserting immediately after said line the following:

“190.335. 1. In lieu of the tax levy authorized under section 190.305 for emergency telephone services, the county commission of any county may impose a county sales tax for the provision of central dispatching of fire protection, including law enforcement agencies, emergency ambulance service or any other emergency services, including emergency telephone services, which shall be collectively referred to herein as “emergency services”, and which may also include the purchase and maintenance of communications

and emergency equipment, including the operational costs associated therein, in accordance with the provisions of this section.

2. Such county commission may, by a majority vote of its members, submit to the voters of the county, at a public election, a proposal to authorize the county commission to impose a tax under the provisions of this section. If the residents of the county present a petition signed by a number of residents equal to ten percent of those in the county who voted in the most recent gubernatorial election, then the commission shall submit such a proposal to the voters of the county.

3. The ballot of submission shall be in substantially the following form:

Shall the county of (insert name of county) impose a county sales tax of (insert rate of percent) percent for the purpose of providing central dispatching of fire protection, emergency ambulance service, including emergency telephone services, and other emergency services?

YES

NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance shall be in effect as provided herein. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the county commission shall have no power to impose the tax authorized by this section unless and until the county commission shall again have submitted another proposal to authorize the county commission to impose the tax under the provisions of this section, and such proposal is approved by a majority of the qualified voters voting thereon.

4. The sales tax may be imposed at a rate not to exceed one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any county adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo. The sales tax shall not be collected prior to thirty-six months before operation of the central dispatching of emergency services.

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

6. Any tax imposed pursuant to section 190.305 shall terminate at the end of the tax year in which the tax imposed pursuant to this section for emergency services is certified by the board to be fully operational. Any revenues collected from the tax authorized under section 190.305 shall be credited for the purposes for which they were intended.

7. At least once each calendar year, the governing body shall establish a tax rate, not to exceed the amount authorized, that together with any surplus revenues carried forward will produce sufficient revenues to fund the expenditures authorized by this act. Amounts collected in excess of that necessary within a given year shall be carried forward to subsequent years. The governing body shall make its determination of such tax rate each year no later than September first and shall fix the new rate which shall be collected as provided in this act. Immediately upon making its determination and fixing the rate, the governing body shall publish in its minutes the new rate, and it shall notify every retailer by mail of the new rate.

8. Immediately upon the affirmative vote of voters of such a county on the ballot proposal to establish a county sales tax pursuant to the provisions of this section, the county commission shall appoint the initial members of a board to administer the funds and oversee the provision of emergency services in the county. Beginning with the general election in 1994, all board members shall be elected according to this section

and other applicable laws of this state. At the time of the appointment of the initial members of the board, the commission shall relinquish and no longer exercise the duties prescribed in this chapter with regard to the provision of emergency services and such duties shall be exercised by the board.

9. The initial board shall consist of seven members appointed without regard to political affiliation, who shall be selected from, and who shall represent, the fire protection districts, ambulance districts, sheriff's department, municipalities, any other emergency services and the general public. This initial board shall serve until its successor board is duly elected and installed in office. The commission shall ensure geographic representation of the county by appointing no more than four members from each district of the county commission.

10. Beginning in 1994, three members shall be elected from each district of the county commission and one member shall be elected at large, such member to be the chairman of the board. Of those first elected, four members from districts of the county commission shall be elected for terms of two years and two members from districts of the county commission and the member at large shall be elected for terms of four years. In 1996, and thereafter, all terms of office shall be four years.

11. Notwithstanding the provisions of subsections 8 to 10 of this section to the contrary, in any county of the first classification with more than two hundred forty thousand three hundred but fewer than two hundred forty thousand four hundred inhabitants, any emergency telephone service 911 board appointed by the county under section 190.309 which is in existence on the date the voters approve a sales tax under this section shall continue to exist and shall have the powers set forth under section 190.339.

12. (1) Notwithstanding the provisions of subsections 8 to 10 of this section to the contrary, in any county of the second classification with more than fifty-four thousand two hundred but fewer than fifty-four thousand three hundred inhabitants that has approved a sales tax under this section, the county commission shall appoint the members of the board to administer the funds and oversee the provision of emergency services in the county.

(2) The board shall consist of seven members appointed without regard to political affiliation. Each member shall be one of the following:

- (a) The head of any of the county's fire protection districts, or a designee;
- (b) The head of any of the county's ambulance districts, or a designee;
- (c) The county sheriff, or a designee;
- (d) The head of any of the police departments in the county, or a designee; and
- (e) The head of any of the county's emergency management organizations, or a designee.

(3) Upon the appointment of the board under this subsection, the board shall have the power provided in section 190.339 and shall exercise all powers and duties exercised by the county commission under this chapter, and the commission shall relinquish all powers and duties relating to the provision of emergency services under this chapter to the board.

13. Provisions of this section to the contrary notwithstanding, in any county with a charter form of government and with more than one million inhabitants which imposes a sales tax authorized under the provisions of this section, such tax shall not apply to sales at retail of "food", as such term is defined under section 144.014."; and

Further amend the title and enacting clause accordingly.

Senator Lembke moved that the above amendment be adopted, which motion prevailed.

On motion of Senator Schaefer, **HCS** for **HB 2070**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Lembke	Mayer	McKenna	Nodler	Pearce	Ridgeway	Rupp	Schaefer
Shields	Shoemyer	Stouffer	Vogel	Wilson—29			

NAYS—Senator Purgason—1

Absent—Senators

Cunningham	Schmitt	Scott	Wright-Jones—4
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Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Schaefer, title to the bill was agreed to.

Senator Schaefer moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

HB 2285, with **SCS**, introduced by Representative Thomson, entitled:

An Act to authorize the conveyance of property owned by the state to the City of Maryville.

Was called from the Informal Calendar and taken up by Senator Lager.

SCS for **HB 2285**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2285

An Act to authorize the conveyance of property owned by the state to the City of Maryville.

Was taken up.

Senator Lager moved that **SCS** for **HB 2285** be adopted.

Senator Crowell offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Committee Substitute for House Bill No. 2285, Page 1, In the Title, Line 2, by striking all of said line and inserting in lieu thereof the following:

“To amend chapter 8, RSMo, by adding thereto twelve new sections relating to state properties and the conveyance thereof, with an emergency clause for certain sections.”; and

Further amend said bill and page, section 1, line 1, by inserting immediately before said line the following:

“Section A. Chapter 8, RSMo, is amended by adding thereto one new section, to be known as section 8.016, to read as follows:

8.016. 1. The commissioner of the office of administration shall provide each member of the senate and each member of the house of representatives with a key that accesses the dome of the state capitol.

2. The president pro tem of the senate and the speaker of the house of representatives shall be responsible for providing a training program for the members and staff of the general assembly regarding access to secured areas of the capitol building. They may consult with the office of administration and department of public safety when developing such program.”; and

Further amend said bill, page 2, section 1, line 29, by inserting immediately after said line the following:

“Section 2. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the Veterans Home in Cape Girardeau, Cape Girardeau County, Missouri, to the City of Cape Girardeau more particularly described as follows:

RIGHT OF WAY TRACT

**RIGHT OF WAY TRACT FOR
MISSOURI VETERANS HOME**

**PERTAINING TO TRACTS RECORDED IN BOOK NO. 452 - PAGE 71 AND IN BOOK NO. 677 -
PAGE 395**

A PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 31 NORTH, RANGE 13 EAST, OF THE FIFTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF CAPE GIRARDEAU, STATE OF MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at a 5/8” iron pin (found) at the south quarter corner of Section 22; Thence N 89 degrees 07’ 59” W, 1,121.26 feet along the south line of the southwest quarter to a point on the east right of way line of Interstate 55, said point being 130.00 feet easterly of and normal to Interstate 55 centerline station 1065+46.97; Thence along said right of way line, N 21 degrees 17’ 45” W, 1,385.92 feet to the southwest corner of a tract of land as recorded in book no. 452 at page no. 71 of the land records of the County Recorder’s Office, said point being the TRUE POINT OF BEGINNING:

Thence continuing along said right of way the following courses and distances:

N 21 degrees 17’ 45” W, 561.05 feet to a point being 130.00 feet easterly of and normal to the centerline of Interstate Route 55, station 1046+00.00; Thence N 18 degrees 47’ 27” W, 461.53 feet to a point being 150.17 feet easterly of and normal to the centerline of Interstate Route 55, station 1041+38.91, said point being the beginning of curve concave to the southeast having a central angle of 44 degrees 15’ 16” and a radius of 230.00 feet; Thence leaving said right of way line and along said curve in northwesterly and northeasterly direction, 177.65 feet; Thence N 25

degrees 27' 49" E, 127.92 feet to a point on the north line of a tract of land as recorded in book no. 677 at page no. 395; Thence along said north line, N 64 degrees 38' 07" E, 94.99 feet; Thence leaving said north line, S 25 degrees 27' 49" W, 201.56 feet to the beginning of a curve, concave to the southeast, having a central angle of 44 degrees 15' 16" and a radius of 170.00 feet; Thence along said curve in a southwesterly and southeasterly direction, 131.31 feet; Thence S 18 degrees 47' 27" E, 460.21 feet; Thence S 21 degrees 17' 45" E, 526.95 feet to a point on the south line of the afore said tract of land; Thence along said south line, S 40 degrees 02' 58" W, 68.37 feet to the True Point of Beginning, containing 1.82 acres more or less. (79,445 square feet)

2. The governor is hereby authorized and empowered to sell, transfer, grant, and convey a permanent easement and temporary construction easement over, on, and under property owned by the state in Cape Girardeau, Cape Girardeau County, Missouri to the City of Cape Girardeau, to be more particularly described as follows:

PERMANENT SLOPE EASEMENT

**PERMANENT SLOPE EASEMENT FOR
MISSOURI VETERANS HOME**

PERTAINING TO TRACT RECORDED IN BOOK NO. 452 - PAGE 71

**A PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 31 NORTH,
RANGE 13 EAST, OF THE FIFTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF CAPE
GIRARDEAU, STATE OF MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:**

Commencing at a 5/8" iron pin (found) at the south quarter corner of Section 22; Thence N 89 degrees 07' 59" W, 1,121.26 feet along the south line of the southwest quarter to a point on the east right of way line of Interstate 55, said point being 130.00 feet easterly of and normal to Interstate 55 centerline station 1065+46.97; Thence along said right of way line, N 21 degrees 17' 45" W, 1,385.92 feet to the southwest corner of a tract of land as recorded in book no. 452 at page no. 71 of the land records of the County Recorder's Office; Thence N 40 degrees 02' 58" E, 68.37 feet along the south line of said tract to the TRUE POINT OF BEGINNING;

Thence continuing along said south line, N 40 degrees 02' 58" E, 17.09 feet; Thence leaving said south line, N 21 degrees 17' 45" W, 16.25 feet; Thence N 23 degrees 42' 15" E, 70.71 feet; Thence N 21 degrees 17' 45" W, 189.01 feet; Thence N 13 degrees 41' 46" E, 61.03 feet; Thence N 21 degrees 17' 45" W, 6.85 feet; Thence N 74 degrees 25' 33" W, 75.46 feet; Thence N 17 degrees 11' 40" W, 144.13 feet; Thence N 31 degrees 45' 20" W, 47.14 feet; Thence N 23 degrees 21' 53" W, 126.01 feet; Thence N 24 degrees 47' 59" W, 96.45 feet; Thence S 71 degrees 12' 33" W, 19.94 feet; Thence S 18 degrees 47' 27" E, 252.05 feet; Thence S 21 degrees 17' 45" E, 526.95 feet to the True Point of Beginning, containing 0.87 acres more or less. (37,936 square feet)

TEMPORARY CONSTRUCTION EASEMENT 1

TRACT NO. 4**MISSOURI VETERANS HOME**

PERTAINING TO TRACTS RECORDED IN BOOK NO. 452 - PAGE 71 AND BOOK NO. 677 - PAGE 395

A PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 31 NORTH, RANGE 13 EAST, OF THE FIFTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF CAPE GIRARDEAU, STATE OF MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at a 5/8" iron pin (found) at the south quarter corner of Section 22; Thence N 89° 07' 59" W, 1,121.26 feet along the south line of the southwest quarter to a point on the east right of way line of Interstate 55, said point being 130.00 feet easterly of and normal to Interstate 55 centerline station 1065+46.97; Thence along said right of way line, N 21° 17' 45" W, 1,385.92 feet to the southwest corner of a tract of land as recorded in book no. 452 at page no. 71 of the land records of the County Recorder's Office; Thence N 40° 02' 58" E, 68.37 feet along the south line of said tract to the TRUE POINT OF BEGINNING;

Thence continuing along said south line, N 40° 02' 58" E, 28.49 feet; Thence leaving said south line, N 21° 17' 45" W, 6.64 feet; Thence N 23° 42' 15" E, 70.71 feet; Thence N 21° 17' 45" W, 190.00 feet; Thence N 13° 41' 46" E, 61.03 feet; Thence N 21° 17' 45" W, 15.00 feet; Thence N 74° 25' 33" W, 75.00 feet; Thence N 17° 11' 40" W, 139.95 feet; Thence N 31° 45' 20" W, 47.68 feet; Thence N 23° 21' 53" W, 125.40 feet; Thence N 24° 47' 59" W, 95.52 feet; Thence N 18° 47' 27" W, 30.00 feet; Thence N 16° 12' 05" E, 61.03 feet; Thence N 40° 35' 32" W, 107.70 feet; Thence N 11° 40' 11" W, 98.75 feet; Thence N 20° 44' 52" E, 75.25 feet; Thence S 68° 47' 12" E, 73.68 feet; Thence N 21° 12' 53" E, 62.05 feet; Thence S 90° 00' 00" E, 29.70 feet; Thence N 0° 00' 00" E, 87.43 feet; Thence S 90° 00' 00" E, 181.00 feet; Thence N 0° 04' 00" W, 77.90 feet to a point on the south line of a tract of land as recorded in book no. 691 at page no. 299; Thence along said south line S 89° 55' 56" W, 173.35 feet to the northeast corner of a tract of land as recorded in book no. 677 at page no. 395; Thence along the north line of said tract, S 64° 38' 07" W, 81.56 feet; Thence leaving said north line, S 25° 27' 49" W, 201.56 feet to the beginning of a curve concave to the southeast having a central angle of 44° 15' 16" and a radius of 170.00 feet; Thence along said curve in a southwesterly and southeasterly direction, 131.31 feet; Thence S 18° 47' 27" E, 460.21 feet; Thence S 21° 17' 45" E, 526.95 feet to the point of beginning, containing 2.07 acres more or less. (90,353 square feet)

TEMPORARY CONSTRUCTION EASEMENT 2**TRACT NO. 4****MISSOURI VETERANS HOME**

PERTAINING TO TRACTS RECORDED IN BOOK NO. 452 - PAGE 71 AND BOOK NO. 677 - PAGE 395

A PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 31 NORTH, RANGE 13 EAST, OF THE FIFTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF CAPE

GIRARDEAU, STATE OF MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at a 5/8" iron pin (found) at the south quarter corner of Section 22; Thence N 89° 07' 59" W, 1,121.26 feet along the south line of the southwest quarter to a point on the east right of way line of Interstate 55, said point being 130.00 feet easterly of and normal to Interstate 55 centerline station 1065+46.97; Thence along said right of way line, N 21° 17' 45" W, 1,385.92 feet to the southwest corner of a tract of land as recorded in book no. 452 at page no. 71 of the land records of the County Recorder's Office, said point being 130.00 feet easterly of and normal to the centerline of Interstate Route 55, station 1051+61.04; Thence N 21° 17' 45" W, 561.05 feet to a point being 130.00 feet easterly of and normal to the centerline of Interstate Route 55, station 1046+00.00; Thence N 18° 47' 27" W, 461.53 feet to a point being 150.17 feet easterly of and normal to the centerline of Interstate Route 55, station 1041+38.91, said point being the beginning of curve concave to the southeast having a central angle of 44° 15' 16" and a radius of 230.00 feet and being the TRUE POINT OF BEGINNING;

Thence leaving said right of way line and along said curve in northwesterly and northeasterly direction, 177.65 feet; Thence N 25° 27' 49" E, 127.92 feet to a point on the north line of a tract of land as recorded in book no. 677 at page no. 395; Thence along said north line, S 64° 38' 07" W, 71.24 feet; Thence leaving said north line, S 25° 27' 49" W, 5.33 feet; Thence S 05° 42' 42" W, 113.00 feet; Thence S 29° 40' 55" W, 44.31 feet to the east right of way line of Interstate Route 55; Thence along said right of way line, S 18° 47' 27" E, 107.95 feet to the point of beginning, containing 0.13 acres, more or less. (5,743 square feet)

TEMPORARY CONSTRUCTION EASEMENT 3**TRACT NO. 4****MISSOURI VETERANS HOME****PERTAINING TO TRACT RECORDED IN BOOK NO. 452 - PAGE 71****A PART OF THE NORTHWEST QUARTER AND A PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 31 NORTH, RANGE 13 EAST, OF THE FIFTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF CAPE GIRARDEAU, STATE OF MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

Commencing at a point on the south right of way line of U.S. Route 61, said point being 275.00 feet southwesterly of and normal to the centerline of the north bound lane of U.S. Route 61, station 911+51.76, said point also being at the intersection of said right of way line and the east line of a tract of land as recorded in the land records of the County Recorder's Office in book no. 630 at page no. 151, Thence along said south right of way line, S 58° 54' 45" E, 11.58 feet to the TRUE POINT OF BEGINNING;

Thence continuing along said south right of way line, S 58° 54' 45" E, 60.00 feet; Thence leaving said right of way line, S 31° 05' 15" W, 140.00 feet; Thence N 58° 54' 45" W, 60.00 feet; Thence N 31° 05' 15" E, 140.00 feet to the point of beginning,

containing 0.19 acres more or less. (8,400 square feet)

3. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but are not limited to, the time, place, and terms of the conveyance.

4. The attorney general shall approve as to form the instrument of conveyance.

Section 3. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the Missouri Lottery Headquarters, Jefferson City, Cole County, Missouri, to owners of certain private property for the purpose of vacating an easement more particularly described as follows:

Part of the Northwest quarter of Section 24, Township 44 North, Range 12 West, in the City of Jefferson, Missouri, more particularly described as follows: From the southwest corner of the Northwest quarter of the Northwest quarter of said Section 24; thence South 88 degrees 30 minutes 55 seconds east, 855.87 feet, to an old iron bar in the northwesterly right-of-way line of U.S. Highway No. 54; thence along said northwesterly right-of-way line, North 45 degrees 31 minutes 05 seconds east, 497.73 feet, to an old iron rod, at the most southerly corner of a tract conveyed to the owners of certain private property, by deed of record in Book 242, page 624, Cole County Recorder's Office; thence continuing along the northwesterly right-of-way line of said Highway No. 54, North 45 degrees 31 minutes 05 seconds east, 96.80 feet, to a right-of-way marker; thence North 28 degrees 16 minutes 17 seconds east, 16.15 feet, to the beginning point of this easement; thence continuing along said northwesterly right-of-way line, North 28 degrees 16 minutes 17 seconds east, 30.00 feet, to a point; thence North 61 degrees 43 minutes 43 seconds west, 178.29 feet, to a point; thence North 28 degrees 16 minutes 17 seconds east, 85.00 feet, to a point on the northeasterly line of the said private property owner tract; thence North 61 degrees 43 minutes 43 seconds west, along the said northeasterly line of the private property owner tract, 15.00 feet; to the most northerly corner of said tract; thence South 28 degrees 16 minutes 17 seconds west, along the northwesterly line of said private property owner tract, 115 feet; thence South 61 degrees 43 minutes 43 seconds east, 193.29 feet, to the beginning point of this easement.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but are not limited to, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 4. 1. The governor is hereby authorized and empowered to sell, transfer, grant and convey, remise, release and forever quitclaim all interest in property owned by the state in Cole County which is part of the correctional facility known as the Church Farm to any person at a public offering as provided in subsection 2 of this section. The property hereby authorized to be conveyed by the governor shall be more particularly described by a survey. Such survey shall be authorized by the division of facilities management, design and construction of the office of administration pursuant to this section. For the purposes of this section, the property to be conveyed, known as the Church Farm Bottoms, is a tract of land in Cole County (approximately eleven hundred acres) lying between

the Union Pacific Railroad Lines to the south and the Missouri River to the north.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but are not limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve the form of the instrument of conveyance.

Section 5. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the Western Missouri Mental Health Center in Kansas City, Jackson County, more particularly described as follows:

TRACT 115

DESCRIPTION:

A tract of land being all of Lots 1-13 and the north 15 feet of Lot 14 inclusive of Block 7, ELM GROVE ADDITION, a subdivision in the Northeast Quarter (NE1/4) of Section 8, Township 49, Range 33 in Kansas City, Jackson County, Missouri, more particularly described as follows:

Beginning at the East Quarter (E1/4) Corner of Section 8; thence North $02^{\circ}42'55''$ East, a distance of 452.15 feet perpendicular to the proposed centerline of 22nd Street; thence North $87^{\circ}17'05''$ West along said centerline, a distance of 567.58 feet; thence North $02^{\circ}42'55''$ East, a distance of 20.00 feet to the southeast corner of Lot 15 of Block 7; thence North $02^{\circ}23'59''$ East along the east line of said Lots 15 and 14, a distance of 35.00 feet to the Point of Beginning; thence North $87^{\circ}15'03''$ West parallel to the south line of said Lot 14, a distance of 160.00 feet to a point on the west line of said lot; thence North $02^{\circ}23'59''$ East along the west line of Lots 14-1 inclusive, a distance of 345.00 feet to the north line of Lot 1; thence South $87^{\circ}15'03''$ East along the north line of Lot 1, a distance of 160.00 feet to a point on the east line of said lot; thence South $02^{\circ}23'59''$ West along the east line of said Lots 1-14 inclusive, a distance of 345.00 feet to the Point of Beginning. The above described tract of land contains 55,199.48 square feet, more or less.

TRACT 117

DESCRIPTION:

A tract of land being the north 15 feet of Lot 17 and all of Lots 18-21 inclusive of ELM GROVE ADDITION, a subdivision in the Northeast Quarter (NE1/4) of Section 8, Township 49, Range 33 in Kansas City, Jackson County, Missouri, more particularly described as follows:

Commencing at the East Quarter Corner of Section 8; thence North $02^{\circ}42'55''$ East, a distance of 452.15 feet perpendicular to the proposed centerline of 22nd Street; thence North $87^{\circ}17'05''$ West along said centerline, a distance of 392.91 feet; thence North $02^{\circ}42'55''$ East, a distance of 19.89 feet to the southeast corner of said Lot 16; thence North $02^{\circ}23'59''$ East along the east line of said Lots 16 and 17, a distance of 35.00 feet to the Point of Beginning; thence North $87^{\circ}15'03''$ West parallel to the south line of said Lot 17, a distance of 159.68 feet to a point on the west line of Lot

17; thence North 02°23'59" East along the west line of said Lots 17-21 inclusive, a distance of 115.00 feet to the northwest corner of Lot 21; thence South 87°15'03" East along the north line of said lot, a distance of 159.68 feet to the northeast corner of said lot; thence South 02°23'59" West along the east line of said Lots 21-17 inclusive, a distance of 115.00 feet to the Point of Beginning. The above described tract of land contains 18,363.15 square feet, more or less.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 6. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the South East Missouri Mental Health Center located in Farmington, St. Francois County, more particularly described as follows:

A tract of land located in the City of Farmington, County of St. Francois and the state of Missouri, lying in a part of Lots 76, 77, and 80 of F.W. Rohland Subdivision of United States Survey 2969, a Subdivision files for record in Deed Book F at Page 441 of the Land records of St. Francois County, Missouri, described as follows, to-wit:

Commencing at a found No. 5 rebar marking the Northwest corner of Lot 62 of said F.W. Rohland Subdivision; thence South 36°46'10" West 1905.10' to a found right-of-way marker on the South right-of-way of Columbia Street (Missouri Highway 221) and the Northwest corner of the United States Army Reserve Center, the POINT OF BEGINNING of the tract herein described: thence along the West line of said Army Reserve Center South 24°38'52" East 498.03' to a found No. 5 rebar marking the Southwest corner of said Army Reserve Center; thence South 16°01'44" West 238.03' to a point, thence South 25°42'29" West 2024.68' to a point; thence North 81°56'11" West 30.03' to a point on the East right-of-way of U.S. Highway 67; thence along said East right-of-way of said Highway 67 North 03°47'30" East 36.31' to a point; thence continuing along said East right-of-way North 14°42'22" East 131.51' to a point; thence continuing along said East right-of-way 03°26'38" West 201.66' to a found right-of-way marker; thence continuing along said East right-of-way North 03°45'45" East 952.18' to a point; thence continuing along said East right-of-way North 12°19'49" East 961.53' to a found right-of-way marker on the East right-of-way of U.S. Highway 72 and the South right-of-way of Columbia Street (Missouri Highway 221); thence along said South right-of-way North 40°51'00" East 127.36' to a found right-of-way marker; thence continuing along said South right-of-way North 59°52'29" East 300.57' to the point of beginning. Containing 23.96 acres, more or less. Being part of Deed Book 343 at Page 441.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to,

the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 7. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the New Ballwin Mental Health Group Home located in St. Louis County, more particularly described as follows:

Parcel 1:

A tract of land in the Southwest 1/4 of Northeast 1/4 of Section 10, Township 44 North, Range 4 East in St. Louis County, Missouri, and described as: Beginning at intersection of the North line of Southwest 1/4 of Northeast 1/4 of Section 10 and the East line of New Ballwin Road, 80 feet wide, thence along the East line of New Ballwin Road, South 0 degrees 30 minutes West 234.58 feet to a point; thence South 90 degrees 00 minutes East 340 feet to a point; thence North 0 degrees 00 minutes East 183 feet to a point; thence South 90 degrees 00 minutes East 213 feet to a point; thence South 0 degrees 00 minutes West, 348 feet, more or less to a point in the centerline of a creek, thence following the centerline of said creek in a Southeast direction to its intersection with the East line of said Southwest 1/4 of Northeast 1/4, thence North 0 degrees 32 minutes 20 seconds East 717 feet to the Northeast corner of said Southwest 1/4 of Northeast 1/4, thence West along the North line of said Southwest 1/4 of Northeast 1/4, North 89 degrees 23 minutes West 1307.10 feet to a point of beginning, according to Survey executed by Clayton Surveying & Engineering Company on March 8, 1971.

Parcel 2:

A tract of land in the Southwest 1/4 of the Northeast 1/4 of Section 10, Township 44 North, Range 4 East, St. Louis County, Missouri and described as follows: Commencing at a point in the centerline of New Ballwin, 80 feet wide Road, said point being distant South 0 degrees 30 minutes West 235.00 feet from the Northwest corner of the Southwest 1/4 of the Northeast 1/4 of said Section 10; thence leaving said point and running South 90 degrees 00 minutes East, 354.00 feet to the point of beginning of the herein described tract of land, said point also being the centerline of a creek as located by Rowland Surveying Company, Inc., December 11, 1969; thence continuing South 90 degrees 00 minutes East 26.00 feet to a point; thence North 0 degrees 00 minutes East, 183.00 feet to a point; thence South 90 degrees 00 minutes East 213.00 feet to a point; thence South 0 degrees 00 minutes West, 348 feet, more or less to a point in the centerline of the aforementioned creek; thence along the centerline meanders of said creek Westwardly; Northwardly and Northwestwardly to the point of beginning.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 8. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located at the Warden's Residence at the Boonville Correctional Center located in Boonville, Cooper County, more particularly described as follows:

A tract of land in the Northwest Quarter of the Northwest Quarter of the Northwest Quarter of Section 36, T49N, R17W, Cooper County, Missouri, being more particularly described as follows:

Starting at the Northwest Corner of Section 36, T49N, R17W; thence N86°-46'-30"E, along the North Line of said Section, 675.61 feet to the northerly extension of the West Line of the Boonville Correctional Facility; thence S2°-32'-35"W, along said line extended, 40.57 feet to the South right-of-way line of Morgan Street and the point of beginning.

From the point of beginning, N88°-13'-15"E, along said right-of-way line, 409.00 feet; thence S4°-03'-10"W 385.00 feet; thence S88°-05'-30"W 398.90 feet to the West Line of said facility as established per surveys recorded in Surveyor's Record Book 8, Page 108 and Page 199; thence N2°-32'-35"E, along said West Line, 385.00 feet to the point of beginning and containing 3.56 acres.

This tract is subject to easements and restrictions of record.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 9. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim all interest of the state of Missouri in real property located in Franklin County, Missouri, more particularly described as follows:

Tract No. 500

A tract of land situated in the County of Franklin, State of Missouri, being part of the southeast quarter of section 7, and the northwest quarter of the southwest quarter of section 8, township 42 north, range 2 west of the 5th principal meridian, and being more particularly described as follows:

Beginning at the southeast corner of the northwest quarter of the southwest quarter of section 8, township 42 north, range 2 west of the 5th principal meridian; thence Westwardly, to the southwest corner of the northeast quarter of the southeast quarter of section 7, township 42 north, range 2 west of the 5th principal meridian; thence Southwardly, to the southeast corner of the southwest quarter of the southeast quarter of section 7; thence westwardly along the south line of the southeast quarter, to a point which lies eastwardly, 631.0 feet from the southwest corner of the southeast quarter of section 7; thence north 7°00' west to a point of the centerline of the abandoned "Old Public Road;" thence north 41°30' east along the above mentioned centerline, to the south line of the northeast quarter of section

7; thence Eastwardly, to the northeast corner of the northwest quarter of the southwest quarter of the above mentioned section 8; thence southwardly to the point of beginning.

ALSO:

Beginning at the northwest corner of the southeast quarter of the southeast quarter of the above mentioned section, township 42 north, range 2 west of the 5th principal meridian; thence Southwardly, 528.0 feet along the west line of the southeast quarter of the southeast quarter of section 7; thence North 70°00' east, 305.0 feet to a point; thence North 88°30' east, 183.0 feet to a point; thence North 77°45' east, 195.0 feet to a point; thence North 53°30' east, 442.0 feet to a point, thence North 55°00' east to a point on the north line of the southeast quarter of the southeast quarter of section 7; thence Westwardly to the point of beginning, in all, containing 112.50 acres, more or less.

Tract No. 605

A tract of land situated in the County of Franklin, State of Missouri, being part of the north half of the northeast fractional quarter, and part of the southeast fractional quarter of the northeast fractional quarter of section 18, township 42 north, range 2 west of the 5th principal meridian, and being more particularly described as follows; all bearings being referred to grid north:

Beginning at the southwest corner of the northwest quarter of the northeast quarter of section 18, township 42 north, range 2 west of the 5th principal meridian; thence Northwardly to a point on the west line of the northwest quarter of the northeast quarter of section 18 which lies southwardly, 660.0 feet from the northwest corner of the northwest quarter of the northeast quarter; thence Northeastwardly to a point on the north line of section 18 which lies eastwardly 818.4 feet from the northwest corner of the northwest quarter of the northeast quarter of section 18; thence Eastwardly along the north line of section 18, to a point in the middle of the Bourbeuse River; thence Southeastwardly along the middle of the Bourbeuse River to a point on the east line of the northeast quarter of section 18; thence Southwardly, along the east line of the northeast quarter of section 18 to a point on the northwesterly boundary line of United States Survey No. 3129, thence Southwestwardly, along the above mentioned boundary line of Survey No. 3129 to a point on the west line of the southeast quarter of the northeast quarter of section 18; thence Northwardly, to the southeast corner of the northwest quarter of the northeast quarter of section 18; thence Westwardly, to the point of beginning, containing 93.00 acres, more or less.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 10. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey,

remise, release and forever quitclaim all interest of the state of Missouri in real property located at the Sunrise State School in Marshfield, Webster County, more particularly described as follows:

The North two hundred, forty feet (240 ft.) of Lot 4, of Block 3 of Shook Addition to the City of Marshfield, Missouri, Webster County, Missouri, according to the plat filed at Plat Book 4 and Page 48 of the records of the Recorder of Deeds of Webster County, Missouri.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section 11. 1. The governor is hereby authorized and empowered to sell, transfer, grant, convey, remise, release and forever quitclaim any or all interest of the state of Missouri in real property located at the Nevada Habilitation Center, as specifically described herein. The authorization includes the lease-purchase of one portion and sale of the remainder of the property, in the Northwest 1/4 of Section 33, Township 36 North, Range 31 West of the 5th P.M. in Nevada, Missouri, Vernon County, more particularly described as follows:

Beginning at the Northwest corner of said Northwest 1/4; thence S88°18'28"E along the North line of said Northwest 1/4, a distance of 2629.18 feet to the Northeast Corner of said Northwest 1/4; thence S02°13'14"W along East line of said Northwest 1/4, a distance of 1219.36 feet; thence N88°36'07"W a distance of 823.82 feet; thence N02°14'03"E a distance of 580.95 feet; thence N88°18'28"W a distance of 519.23 feet to the Westerly Right of Way line of State Highway "W"; thence S02°12'02"W along said Right of Way line, a distance of 135.07 feet; thence N88°18'28"W a distance of 521.65 feet; thence S02°21'48"W a distance of 388.33 feet; thence N88°18'28"W a distance of 766.97 feet to the West line of said Northwest 1/4; thence N02°21'48"E along said West line, a distance of 1166.06 feet returning to the Point of Beginning. Having an Area of 60.58 acres.

Subject to road right of ways and easements, public and private, as may now be located.

2. The commissioner of administration shall set the terms and conditions for the conveyance as the commissioner deems reasonable. Such terms and conditions may include, but not be limited to, the number of appraisals required, the time, place, and terms of the conveyance.

3. The attorney general shall approve as to form the instrument of conveyance.

Section B. Because immediate action is necessary to generate revenue from the sale of state property, the enactment of sections 1 to 11 of this act are deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of sections 1 to 11 of this act shall be in full force and effect upon its passage and approval."

Senator Crowell moved that the above amendment be adopted, which motion prevailed.

Senator Lager moved that SCS for **HB 2285**, as amended, be adopted, which motion prevailed.

On motion of Senator Lager, SCS for **HB 2285**, as amended, was read the 3rd time and passed by the

following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel

Wilson—33

NAYS—Senators—None

Absent—Senator Wright-Jones—1

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

The emergency clause was adopted by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel

Wilson—33

NAYS—Senators—None

Absent—Senator Wright-Jones—1

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Lager, title to the bill was agreed to.

Senator Lager moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

PRIVILEGED MOTIONS

Senator Griesheimer moved that the Senate refuse to concur in **HCS** for **SB 791**, as amended, and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon, which motion prevailed.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 981**, entitled:

An Act to repeal sections 94.510, 94.550, 94.577, 144.030, and 144.817, RSMo, and to enact in lieu thereof eight new sections relating to sales tax, with an emergency clause for certain sections.

With House Amendment Nos. 1, 2, 3, 4, 5, 6, House Amendment No. 1 to House Amendment No. 7, House Amendment No. 7, as amended, House Amendment No. 1 to House Amendment 8 and House Amendment No. 8, as amended.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Bill No. 981, Section A, Page 1, Line 3, by inserting after all of said section the following:

“32.070. 1. The director of the department of revenue shall enter into the streamlined sales and use tax agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce. In furtherance of the streamlined sales and use tax agreement, the director of the department of revenue may act jointly with other states that are members of the streamlined sales and use tax agreement to establish standards for certification of a certified service provider and certified automated system and establish performance standards for multistate sellers.

2. The director of the department of revenue may take other action reasonably required to implement the provisions set forth in the streamlined sales and use tax administration act, including, but not limited to, the promulgation of rules and the joint procurement, with other member states, of goods and services in furtherance of the streamlined sales and use tax agreement.

3. The director of the department of revenue or the director’s designee may represent this state before the other states that are signatories to the streamlined sales and use tax agreement.

4. The department of revenue shall promulgate rules necessary to implement the provisions of the streamlined sales and use tax agreement. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2012, shall be invalid and void.

32.086. Notwithstanding any other provision of law, for all local sales and use taxes collected by the department and remitted to a political jurisdiction or taxing district, the department shall remit one percent of the amount collected to the general revenue fund to offset the cost of collection, unless a greater amount is specified in the local sales and use tax law. The department shall not commingle the remaining amounts collected with general revenues and shall remit the remaining amounts collected to the political jurisdiction or taxing district less any credits for erroneous payments, overpayments, and dishonored checks.

32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the governing body or

official of such taxing entity shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance or order. The ordinance or order shall reflect the effective date thereof.

2. Any local sales tax so adopted shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except as provided in subsection [18] **17** of this section.

3. Every retailer within the jurisdiction of one or more taxing entities which has imposed one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with the tax imposed by the sales tax law of the state of Missouri to the sale price and, when added, the combined tax shall constitute a part of the price, and shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. The combined rate of the state sales tax and all local sales taxes shall be the sum of the rates, multiplying the combined rate times the amount of the sale.

4. [The brackets required to be established by the director of revenue under the provisions of section 144.285, RSMo, shall be based upon the sum of the combined rate of the state sales tax and all local sales taxes imposed under the provisions of the local sales tax law.

5.] The ordinance or order imposing a local sales tax under the local sales tax law shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes imposed under the provisions of the local sales tax law.

[6.] **5.** On and after the effective date of any local sales tax imposed under the provisions of the local sales tax law, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri all additional local sales taxes authorized under the authority of the local sales tax law. All local sales taxes imposed under the local sales tax law together with all taxes imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

[7.] **6.** All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of any local sales tax imposed under the local sales tax law except as modified by the local sales tax law.

[8.] **7.** All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of sections 144.010 to 144.525, RSMo, as these sections now read and as they may hereafter be amended, it being the intent of this general assembly to ensure that the same sales tax exemptions granted from the state sales tax law also be granted under the local sales tax law, are hereby made applicable to the imposition and collection of all local sales taxes imposed under the local sales tax law.

[9.] **8.** The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of the local sales tax law, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an

exemption from any local sales tax imposed by the local sales tax law.

[10.] **9.** All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under the provisions of the state sales tax law are hereby allowed and made applicable to any local sales tax collected under the provisions of the local sales tax law.

[11.] **10.** The penalties provided in section 32.057 and sections 144.010 to 144.525, RSMo, for a violation of the provisions of those sections are hereby made applicable to violations of the provisions of the local sales tax law.

[12.] **11.** (1) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales, except the sale of motor vehicles, trailers, boats, and outboard motors, shall be [deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's agent or employee shall be deemed to be consummated at the place of business from which he works] **sourced as provided by sections 144.1034 and 144.1037.**

(2) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the residence of the purchaser and not at the place of business of the retailer, or the place of business from which the retailer's agent or employee works.

(3) For the purposes of any local tax imposed by an ordinance or under the local sales tax law on charges for mobile telecommunications services, all taxes of mobile telecommunications service shall be imposed as provided in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116 through 124, as amended.

[13.] **12.** Local sales taxes imposed pursuant to the local sales tax law on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a taxing entity imposing a local sales tax under the local sales tax law.

[14.] **13.** The director of revenue and any of his deputies, assistants and employees who have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of the local sales tax law shall enter a surety bond or bonds payable to any and all taxing entities in whose behalf such funds have been collected under the local sales tax law in the amount of one hundred thousand dollars for each such tax; but the director of revenue may enter into a blanket bond covering himself and all such deputies, assistants and employees. The cost of any premium for such bonds shall be paid by the director of revenue from the share of the collections under the sales tax law retained by the director of revenue for the benefit of the state.

[15.] **14.** The director of revenue shall annually report on his management of each trust fund which is created under the local sales tax law and administration of each local sales tax imposed under the local sales tax law. He shall provide each taxing entity imposing one or more local sales taxes authorized by the local sales tax law with a detailed accounting of the source of all funds received by him for the taxing entity.

Notwithstanding any other provisions of law, the state auditor shall annually audit each trust fund. A copy of the director's report and annual audit shall be forwarded to each taxing entity imposing one or more local sales taxes.

[16.] **15.** Within the boundaries of any taxing entity where one or more local sales taxes have been imposed, if any person is delinquent in the payment of the amount required to be paid by him under the local sales tax law or in the event a determination has been made against him for taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525, RSMo. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under the local sales tax law, the director of revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount of any local sales tax due so that appropriate action may be taken by the taxing entity.

[17.] **16.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such taxing entity.

[18.] **17.** If a local sales tax has been in effect for at least one year under the provisions of the local sales tax law and voters approve reimposition of the same local sales tax at the same rate at an election as provided for in the local sales tax law prior to the date such tax is due to expire, the tax so reimposed shall become effective the first day of the first calendar quarter after the director receives a certified copy of the ordinance, order or resolution accompanied by a map clearly showing the boundaries thereof and the results of such election, provided that such ordinance, order or resolution and all necessary accompanying materials are received by the director at least thirty days prior to the expiration of such tax. Any administrative cost or expense incurred by the state as a result of the provisions of this subsection shall be paid by the city or county reimposing such tax.

18. If the boundaries of a city in which a sales tax has been imposed shall thereafter be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city within ten days of adoption of the ordinance. The ordinance shall reflect the effective date of the ordinance and shall be accompanied by a map of the city clearly showing the territory added or detached from the city boundaries. Upon receipt of the ordinance and map, the tax imposed under the local sales tax law shall be effective in the added territory or abolished in the detached territory on the first day of the second calendar quarter after the director of revenue receives notice of the boundary change.

67.576. 1. The following provisions shall govern the collection of the tax imposed by the provisions of sections 67.571 to 67.577:

(1) All applicable provisions contained in sections 144.010 to 144.510, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by the provisions of sections 67.571 to 67.577;

(2) All exemptions granted to agencies of government, organizations, and persons under the provisions

of sections 144.010 to 144.510, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by sections 67.571 to 67.577.

2. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.510, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of sections 67.571 to 67.577, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by sections 67.571 to 67.577.

3. All discounts allowed the retailer pursuant to the provisions of the state sales tax law for the collection of and for payment of taxes pursuant to that act are hereby allowed and made applicable to any taxes collected pursuant to the provisions of sections 67.571 to 67.577.

4. The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.510, RSMo, for a violation of those acts are hereby made applicable to violations of the provisions of sections 67.571 to 67.577.

5. [For the purposes of the sales tax imposed by an order pursuant to sections 67.571 to 67.577, all retail sales shall be deemed to be consummated at the place of business of the retailer.] **Except as provided in sections 67.571 to 67.577, all provisions of sections 32.085 and 32.087 shall apply to the tax imposed under section 67.571 to 67.577.**

67.582. 1. The governing body of any county, except a county of the first class with a charter form of government with a population of greater than four hundred thousand inhabitants, is hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half of one percent on all retail sales made in such county which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of providing law enforcement services for such county. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax under the provisions of this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the governing body of the county to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of (county’s name) impose a countywide sales tax of (insert amount) for the purpose of providing law enforcement services for the county?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”; or

(2) If the proposal submitted involves authorization to enter into agreements to form a regional jail district and obligates the county to make payments from the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of (county’s name) be authorized to enter into agreements for the purpose of forming a regional jail district and obligating the county to impose a countywide sales tax of (insert amount) to fund dollars of the costs to construct a regional jail and to fund the costs to operate a

regional jail, with any funds in excess of that necessary to construct and operate such jail to be used for law enforcement purposes?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal submitted pursuant to subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second **calendar** quarter [immediately following the election approving the proposal] **after the director of revenue receives notification of adoption of the local sales tax**. If the constitutionally required percentage of the voters voting thereon are in favor of the proposal submitted pursuant to subdivision (2) of this subsection, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second **calendar** quarter [immediately following the election approving the proposal] **after the director of revenue receives notification of adoption of the local sales tax**. If a proposal receives less than the required majority, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. All revenue received by a county from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely for providing law enforcement services for such county for so long as the tax shall remain in effect. Revenue placed in the special trust fund may also be utilized for capital improvement projects for law enforcement facilities and for the payment of any interest and principal on bonds issued for said capital improvement projects.

4. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund shall be used solely for providing law enforcement services for the county. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue under this section on behalf of any county, less one percent for cost of collection which shall be deposited in the state’s general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be known as the “County Law Enforcement Sales Tax Trust Fund”. The moneys in the county law enforcement sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust and which was collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the county law enforcement sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the fund for any law enforcement functions authorized in the

ordinance or order adopted by the governing body submitting the law enforcement tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, **the repeal of such tax shall become effective December thirty-first of the calendar year in which such abolishment was approved.** The county shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

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

67.584. 1. The governing body of any county of the first classification with more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants is hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half percent on all retail sales made in such county which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo, for the purpose of providing law enforcement services for such county. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary, or special election, a proposal to authorize the governing body of the county to impose a tax.

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:

“Shall the county of (county’s name) impose a countywide sales tax of (insert amount) for the purpose of providing law enforcement services for the county?”

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal submitted pursuant to this subsection, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second **calendar** quarter [immediately following the election approving the proposal] **after the director of revenue receives notification of adoption of the local sales tax.** If a proposal receives less than the required majority, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. Twenty-five percent of the revenue received by a county treasurer from the tax authorized pursuant to this section shall be deposited in a special trust fund and shall be used solely by a prosecuting attorney's office for such county for so long as the tax shall remain in effect. The remainder of revenue shall be deposited in the county law enforcement sales tax trust fund established pursuant to section 67.582 of the county levying the tax pursuant to this section. The revenue derived from the tax imposed pursuant to this section shall be used for public law enforcement services only. No revenue derived from the tax imposed pursuant to this section shall be used for any private contractor providing law enforcement services or for any private jail.

4. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the prosecuting attorney's trust fund shall be used solely by a prosecuting attorney's office for the county. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue pursuant to this section on behalf of any county, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be known as the "County Prosecuting Attorney's Office Sales Tax Trust Fund" or in the county law enforcement sales tax trust fund, pursuant to the deposit ratio in subsection 3 of this section. The moneys in the trust funds shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trusts and which was collected in each county imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust funds during the preceding month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from either trust fund shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the funds for any functions authorized in the ordinance or order adopted by the governing body submitting the tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust funds and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, **the repeal of such tax shall become effective December thirty-first of the calendar year in which such abolishment was approved.** The county shall notify the director of revenue of the action at least ninety days before the effective date of the repeal and the director of revenue may order retention in the appropriate trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayments of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county established pursuant to this section. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

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

67.671. 1. The governing body of any county, except first class counties other than first class counties without charter form of government not adjoining any other first class county unless such first class county contains part of a city with a population over four hundred and fifty thousand, and except as otherwise provided in subsection 4 or subsection 7 of this section may, by a majority vote, impose a tourism sales tax throughout or in any portion of the county for the promotion of tourism as provided in this act, but such tax shall not become effective unless the governing body of the county submits to the voters of the county, at a public election, a proposal to authorize the county to impose a tax under the provisions of sections 67.671 to 67.685.

2. The ballot of submission shall be in substantially the following form:

Shall the county of (Insert the name of the county) impose a tourism sales tax of (Insert rate of percent) percent in certain areas of the county?

YES

NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall be in effect **on the first day of the second calendar quarter after the director of revenue receives notification of adoption of the local sales tax.** If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county shall have no power to impose the tax authorized by sections 67.671 to 67.685, unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the tax, and such proposal is approved by a majority of the qualified voters voting thereon.

3. Except as otherwise provided in subsection 4 or subsection 7 of this section, the tourism tax may be imposed at a rate of not more than seven-eighths of one percent on the receipts from the sale at retail of certain tangible personal property or taxable services within that part of the county for which such tax has been adopted, as specified in section 67.674.

4. The governing body of any third class county which adjoins the Mississippi River and which also adjoins one or more first class counties without a charter form of government and which has a population of not more than sixteen thousand inhabitants according to the 1980 decennial census may, by a majority vote, impose:

(1) A tourism [sales] tax on the [sale] **gross receipts** of all food and beverages sold for consumption on the premises of all restaurants, bars, taverns, or other establishments which are primarily used to provide food and beverage services;

(2) A tourism [sales] tax upon the rent or lease charges paid by transient guests of hotels, motels, condominiums, houseboats, and space rented in campgrounds;

(3) Or both.

The tax may be imposed throughout or in any portion of the county for the promotion of tourism as provided in sections 67.671 to 67.685 but such tax shall not become effective unless the governing body of the county submits to the voters of the county, at a public election, a proposal to authorize the county to impose the tax.

5. The ballot of submission shall be in substantially the following form:

Shall the county of (Insert name of county) impose a tourism [sales] tax of (Insert rate of percent) percent on the sale or rental of (Insert type of property or service) in certain areas of the county?

YES NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county shall have no power to impose the tax unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the tax, and such proposal is approved by a majority of the qualified voters voting thereon. The tourism tax may be imposed at a rate of not more than two percent on the receipts from the sale or rental at retail of certain tangible personal property or taxable services as provided in this subsection within that part of the county for which such tax has been adopted.

6. Within ten days after a vote in favor of the adoption of a tourism [sales] tax by the voters of any such county, the governing body of the county shall make its order imposing the tax. The tax shall become effective on the first day of the [first] **second** calendar quarter after [such order is made; provided that in any first class county with a population of at least eighty thousand but less than one hundred thousand, the tax shall become effective on the first day of the first month which begins more than thirty days after such order is made, and such tax shall be collected by the department of revenue in the same manner as prescribed in section 32.087, RSMo, except as otherwise provided in this section] **the director of revenue receives notification of adoption of such tax.**

7. In any county which has any part of a Corps of Engineers lake with a shoreline of at least eight hundred miles and not exceeding a shoreline of nine hundred miles, the tourism tax may be imposed at a rate of not more than two percent on the receipts from the sale at retail of certain tangible personal property or taxable services, subject to tax pursuant to chapter 144, RSMo, within that portion of the county for which such tax has been adopted. All areas in such county imposing a tourism tax eligible to do so under the provisions of this section shall be contiguous with all other areas which adopt the tax.

8. All tourism [sales] tax collected pursuant to subsection [7] **4** of this section shall be collected and administered by the county collector as provided in section 67.680 and deposited in the "County Advertising and Tourism Sales Tax Trust Fund" created in such section.

9. All tourism tax collected pursuant to subsection 7 of this section shall be collected and administered as provided in subsection 6 of this section and deposited by the county in the county advertising and tourism sales tax trust fund created in such section.

67.678. 1. The following provisions shall govern the collection of the tax imposed by the provisions of sections 67.671 to 67.685:

(1) All applicable provisions contained in sections 144.010 to 144.510, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by the provisions of sections 67.671 to 67.685, except as modified in sections 67.671 to 67.685;

(2) All exemptions granted to agencies of government, organizations, and persons under the provisions of sections 144.010 to 144.510, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by sections 67.671 to 67.685.

2. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.510, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of sections 67.671 to 67.685, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption

from the tax imposed by sections 67.671 to 67.685.

3. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under that act are hereby allowed and made applicable to any taxes collected under the provisions of sections 67.671 to 67.685.

4. The penalties provided in sections 32.057 and 144.010 to 144.510, RSMo, for a violation of those acts are hereby made applicable to violations of the provisions of sections 67.671 to 67.685.

[5. For the purposes of the tourism sales tax imposed by an order pursuant to sections 67.671 to 67.685, all retail sales shall be deemed to be consummated at the place of business of the retailer.]

67.1303. 1. The governing body of any home rule city with more than one hundred fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred inhabitants, any home rule city with more than forty-five thousand five hundred but less than forty-five thousand nine hundred inhabitants and the governing body of any city within any county of the first classification with more than one hundred four thousand six hundred but less than one hundred four thousand seven hundred inhabitants and the governing body of any county of the third classification without a township form of government and with more than forty thousand eight hundred but less than forty thousand nine hundred inhabitants or any city within such county may impose, by order or ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax under chapter 144, RSMo. In addition, the governing body of any county of the first classification with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants or the governing body of any home rule city with more than seventy-three thousand but less than seventy-five thousand inhabitants may impose, by order or ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax under chapter 144, RSMo. The tax authorized in this section shall not be more than one-half of one percent. The order or ordinance imposing the tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at a state general or primary election a proposal to authorize the governing body to impose a tax under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

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

Shall (insert the name of the city or county) impose a sales tax at a rate of (insert rate of percent) percent for economic development purposes?

YES

NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter [following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question, provided that no proposal shall be resubmitted to the voters sooner than twelve months from the date of the submission of the last proposal] **after the director of revenue receives notification of adoption of the local sales tax. If a majority of the votes cast on the question by the qualified voters voting on the question are opposed, then the tax shall not become effective unless the question is resubmitted under this section to the qualified voters and such**

question is approved by a majority of the qualified voters voting on the question. No proposal shall be resubmitted to the voters sooner than twelve months from the date of the submission of the last proposal.

3. No revenue generated by the tax authorized in this section shall be used for any retail development project. At least twenty percent of the revenue generated by the tax authorized in this section shall be used solely for projects directly related to long-term economic development preparation, including, but not limited to, the following:

- (1) Acquisition of land;
- (2) Installation of infrastructure for industrial or business parks;
- (3) Improvement of water and wastewater treatment capacity;
- (4) Extension of streets;
- (5) Providing matching dollars for state or federal grants;
- (6) Marketing;

(7) Providing grants and low-interest loans to companies for job training, equipment acquisition, site development, and infrastructure. Not more than twenty-five percent of the revenue generated may be used annually for administrative purposes, including staff and facility costs.

4. All revenue generated by the tax shall be deposited in a special trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other city or county funds.

5. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any city or county for erroneous payments in the trust fund and credited to any city or county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any city or county abolishes the tax authorized under this section, the repeal of such tax shall become effective December thirty-first of the calendar year in which such abolishment was approved. Each city or county shall notify the director of revenue at least ninety days prior to the effective date of the expiration of the sales tax authorized by this section and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the date of expiration of the tax authorized by this section in such city or county, the director of revenue shall remit the balance in the account to the city or county and close the account of that city or county. The director of revenue shall notify each city or county of each instance of any amount refunded or any check redeemed from receipts due the city or county.

6. Any city or county imposing the tax authorized in this section shall establish an economic development tax board. The board shall consist of eleven members, to be appointed as follows:

(1) Two members shall be appointed by the school boards whose districts are included within any economic development plan or area funded by the sales tax authorized in this section. Such members shall

be appointed in any manner agreed upon by the affected districts;

(2) One member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for an economic development project or area funded by the sales tax authorized in this section, excluding representatives of the governing body of the city or county;

(3) One member shall be appointed by the largest public school district in the city or county;

(4) In each city or county, five members shall be appointed by the chief elected officer of the city or county with the consent of the majority of the governing body of the city or county;

(5) In each city, two members shall be appointed by the governing body of the county in which the city is located. In each county, two members shall be appointed by the governing body of the county.

At the option of the members appointed by a city or county the members who are appointed by the school boards and other taxing districts may serve on the board for a term to coincide with the length of time an economic development project, plan, or designation of an economic development area is considered for approval by the board, or for the definite terms as provided in this subsection. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time an economic development project, plan, or area is approved, such term shall terminate upon final approval of the project, plan, or designation of the area by the governing body of the city or county. If any school district or other taxing jurisdiction fails to appoint members of the board within thirty days of receipt of written notice of a proposed economic development plan, economic development project, or designation of an economic development area, the remaining members may proceed to exercise the power of the board. Of the members first appointed by the city or county, three shall be designated to serve for terms of two years, three shall be designated to serve for a term of three years, and the remaining members shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the city or county shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

[6.] 7. The board, subject to approval of the governing body of the city or county, shall develop economic development plans, economic development projects, or designations of an economic development area, and shall hold public hearings and provide notice of any such hearings. The board shall vote on all proposed economic development plans, economic development projects, or designations of an economic development area, and amendments thereto, within thirty days following completion of the hearing on any such plan, project, or designation, and shall make recommendations to the governing body within ninety days of the hearing concerning the adoption of or amendment to economic development plans, economic development projects, or designations of an economic development area.

[7.] 8. The board shall report at least annually to the governing body of the city or county on the use of the funds provided under this section and on the progress of any plan, project, or designation adopted under this section.

[8.] 9. The governing body of any city or county 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 or county. The ballot of submission shall be in substantially the following form:

Shall (insert the name of the city or county) repeal the sales tax imposed at a rate of (insert rate of percent) percent for economic development purposes?

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 of the city or county, and the repeal is approved by a majority of the qualified voters voting on the question.

[9.] **10.** Whenever the governing body of any city or county that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city or county 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 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. **If the city or county abolishes the tax, the city or county shall notify the director of revenue of the action at least one hundred twenty days prior to the effective date of the repeal.**

11. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

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

67.1545. 1. Any district formed as a political subdivision may impose by resolution a district sales and use tax on all retail sales made in such district which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo, except sales of motor vehicles, trailers, boats or outboard motors [and sales to or by public utilities and providers of communications, cable, or video services]. Any sales and use tax imposed pursuant to this section may be imposed in increments of one-eighth of one percent, up to a maximum of one percent. Such district sales and use tax may be imposed for any district purpose designated by the district in its ballot of submission to its qualified voters; except that, no resolution adopted pursuant to this section shall become effective unless the board of directors of the district submits to the qualified voters of the district, by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this section. If a majority of the votes cast by the qualified voters on the proposed sales tax are in favor of the sales tax, then the resolution is adopted. If a majority of the votes cast by the qualified voters are opposed to the sales tax, then the resolution is void.

2. The ballot shall be substantially in the following form:

Shall the (insert name of district) Community Improvement District impose a community improvement districtwide sales and use tax at the maximum rate of (insert amount) for a period of (insert number) years from the date on which such tax is first imposed for the purpose of

providing revenue for (insert general description of the purpose)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

3. Within ten days after the qualified voters have approved the imposition of the sales and use tax, the district shall, in accordance with section 32.087, RSMo, notify the director of the department of revenue. The sales and use tax authorized by this section shall become effective on the first day of the second calendar quarter after the director of the department of revenue receives notice of the adoption of such tax.

4. [The director of the department of revenue shall collect any tax adopted pursuant to this section pursuant to section 32.087, RSMo.

5.] After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

5. In each district in which a sales and use tax is imposed pursuant to this section, every retailer shall add such additional tax imposed by the district to such retailer’s sale price, and when so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

[6. In order to allow retailers to collect and report the sales and use tax authorized by this section as well as all other sales and use taxes required by law in the simplest and most efficient manner possible, a district may establish appropriate brackets to be used in the district imposing a tax pursuant to this section in lieu of the brackets provided in section 144.285, RSMo.

7.] 6. The penalties provided in sections 144.010 to 144.525, RSMo, shall apply to violations of this section.

[8.] 7. All revenue received by the district from a sales and use tax imposed pursuant to this section which is designated for a specific purpose shall be deposited into a special trust fund and expended solely for such purpose. Upon the expiration of any sales and use tax adopted pursuant to this section, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated in the resolution adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors pursuant to applicable laws relating to the investment of other district funds.

[9.] 8. A district may repeal by resolution any sales and use tax imposed pursuant to this section before the expiration date of such sales and use tax unless the repeal of such sales and use tax will impair the district’s ability to repay any liabilities the district has incurred, moneys the district has borrowed or obligation the district has issued to finance any improvements or services rendered for the district.

[10.] 9. Notwithstanding the provisions of chapter 115, RSMo, an election for a district sales and use tax under this section shall be conducted in accordance with the provisions of this section.

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

67.1959. 1. The board, by a majority vote, may submit to the residents of such district a tax of not more than one percent on all retail sales, except sales of [food as defined in section 144.014, RSMo, sales of] new or used motor vehicles[, trailers, boats, or other outboard motors, all utilities, telephone and wireless services, and sales of funeral services], made **on or after January 1, 2012**, within the district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo. Upon the written request of the board to the election authority of the county in which a majority of the area of the district is situated, such election authority shall submit a proposition to the residents of such district at a municipal or statewide primary or general election, or at a special election called for that purpose. Such election authority shall give legal notice as provided in chapter 115, RSMo.

2. Such proposition shall be submitted to the voters of the district in substantially the following form at such election:

Shall the Tourism Community Enhancement District impose a sales tax of (insert amount) for the purpose of promoting tourism in the district?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”. If a majority of the votes cast on the proposal by the qualified voters of the proposed district voting thereon are in favor of the proposal, then the order shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the tax. If the proposal receives less than the required majority, then the board shall have no power to impose the sales tax authorized pursuant to this section unless and until the board shall again have submitted another proposal to authorize the board to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district.

67.2000. 1. This section shall be known as the “Exhibition Center and Recreational Facility District Act”.

2. Whenever not less than fifty owners of real property located within any county of the first classification with more than seventy-one thousand three hundred but less than seventy-one thousand four hundred inhabitants, or any county of the first classification with more than one hundred ninety-eight thousand but less than one hundred ninety-nine thousand two hundred inhabitants, or any county of the first classification with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants, or any county of the second classification with more than fifty-two thousand six hundred but less than fifty-two thousand seven hundred inhabitants, or any county of the first classification with more than one hundred four thousand six hundred but less than one hundred four thousand seven hundred inhabitants, or any county of the third classification without a township form of government and with more than seventeen thousand nine hundred but less than eighteen thousand inhabitants, or any county of the first classification with more than thirty-seven thousand but less than thirty-seven thousand one hundred inhabitants, or any county of the third classification without a township form of government and with more than twenty-three thousand five hundred but less than twenty-three thousand six hundred inhabitants, or any county of the third classification without a township form of government and with more than nineteen thousand three hundred but less than nineteen thousand four hundred inhabitants, or any county of the first classification with more than two hundred forty thousand three hundred but less than two hundred forty

thousand four hundred inhabitants, desire to create an exhibition center and recreational facility district, the property owners shall file a petition with the governing body of each county located within the boundaries of the proposed district requesting the creation of the district. The district boundaries may include all or part of the counties described in this section. The petition shall contain the following information:

(1) The name and residence of each petitioner and the location of the real property owned by the petitioner;

(2) A specific description of the proposed district boundaries, including a map illustrating the boundaries; and

(3) The name of the proposed district.

3. Upon the filing of a petition pursuant to this section, the governing body of any county described in this section may, by resolution, approve the creation of a district. Any resolution to establish such a district shall be adopted by the governing body of each county located within the proposed district, and shall contain the following information:

(1) A description of the boundaries of the proposed district;

(2) The time and place of a hearing to be held to consider establishment of the proposed district;

(3) The proposed sales tax rate to be voted on within the proposed district; and

(4) The proposed uses for the revenue generated by the new sales tax.

4. Whenever a hearing is held as provided by this section, the governing body of each county located within the proposed district shall:

(1) Publish notice of the hearing on two separate occasions in at least one newspaper of general circulation in each county located within the proposed district, with the first publication to occur not more than thirty days before the hearing, and the second publication to occur not more than fifteen days or less than ten days before the hearing;

(2) Hear all protests and receive evidence for or against the establishment of the proposed district; and

(3) Rule upon all protests, which determinations shall be final.

5. Following the hearing, if the governing body of each county located within the proposed district decides to establish the proposed district, it shall adopt an order to that effect; if the governing body of any county located within the proposed district decides to not establish the proposed district, the boundaries of the proposed district shall not include that county. The order shall contain the following:

(1) The description of the boundaries of the district;

(2) A statement that an exhibition center and recreational facility district has been established;

(3) The name of the district;

(4) The uses for any revenue generated by a sales tax imposed pursuant to this section; and

(5) A declaration that the district is a political subdivision of the state.

6. A district established pursuant to this section may, at a general, primary, or special election, submit to the qualified voters within the district boundaries a sales tax of one-fourth of one percent, for a period not to exceed twenty-five years, on all retail sales within the district, which are subject to taxation pursuant

to sections 144.010 to 144.525, RSMo, to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities. The ballot of submission shall be in substantially the following form:

Shall the (name of district) impose a sales tax of one-fourth of one percent to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities, for a period of (insert number of years)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast in the portion of any county that is part of the proposed district favor the proposal, then the sales tax shall become effective in that portion of the county that is part of the proposed district on the first day of the [first] **second** calendar quarter [immediately following the election] **after the director of revenue receives notification of adoption of the local sales tax**. If a majority of the votes cast in the portion of a county that is a part of the proposed district oppose the proposal, then that portion of such county shall not impose the sales tax authorized in this section until after the county governing body has submitted another such sales tax proposal and the proposal is approved by a majority of the qualified voters voting thereon.

However, if a sales tax proposal is not approved, the governing body of the county shall not resubmit a proposal to the voters pursuant to this section sooner than twelve months from the date of the last proposal submitted pursuant to this section. If the qualified voters in two or more counties that have contiguous districts approve the sales tax proposal, the districts shall combine to become one district.

7. There is hereby created a board of trustees to administer any district created and the expenditure of revenue generated pursuant to this section consisting of four individuals to represent each county approving the district, as provided in this subsection. The governing body of each county located within the district, upon approval of that county’s sales tax proposal, shall appoint four members to the board of trustees; at least one shall be an owner of a nonlodging business located within the taxing district, or their designee, at least one shall be an owner of a lodging facility located within the district, or their designee, and all members shall reside in the district except that one nonlodging business owner, or their designee, and one lodging facility owner, or their designee, may reside outside the district. Each trustee shall be at least twenty-five years of age and a resident of this state. Of the initial trustees appointed from each county, two shall hold office for two years, and two shall hold office for four years. Trustees appointed after expiration of the initial terms shall be appointed to a four-year term by the governing body of the county the trustee represents, with the initially appointed trustee to remain in office until a successor is appointed, and shall take office upon being appointed. Each trustee may be reappointed. Vacancies shall be filled in the same manner in which the trustee vacating the office was originally appointed. The trustees shall not receive compensation for their services, but may be reimbursed for their actual and necessary expenses. The board shall elect a chair and other officers necessary for its membership. Trustees may be removed if:

(1) By a two-thirds vote, the board moves for the member’s removal and submits such motion to the governing body of the county from which the trustee was appointed; and

(2) The governing body of the county from which the trustee was appointed, by a majority vote, adopts the motion for removal.

8. The board of trustees shall have the following powers, authority, and privileges:

(1) To have and use a corporate seal;

(2) To sue and be sued, and be a party to suits, actions, and proceedings;

(3) To enter into contracts, franchises, and agreements with any person or entity, public or private, affecting the affairs of the district, including contracts with any municipality, district, or state, or the United States, and any of their agencies, political subdivisions, or instrumentalities, for the funding, including without limitation interest rate exchange or swap agreements, planning, development, construction, acquisition, maintenance, or operation of a single exhibition center and recreational facilities or to assist in such activity. "Recreational facilities" means locations explicitly designated for public use where the primary use of the facility involves participation in hobbies or athletic activities;

(4) To borrow money and incur indebtedness and evidence the same by certificates, notes, or debentures, to issue bonds and use any one or more lawful funding methods the district may obtain for its purposes at such rates of interest as the district may determine. Any bonds, notes, and other obligations issued or delivered by the district may be secured by mortgage, pledge, or deed of trust of any or all of the property and income of the district. Every issue of such bonds, notes, or other obligations shall be payable out of property and revenues of the district and may be further secured by other property of the district, which may be pledged, assigned, mortgaged, or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds, notes, or other obligations shall be authorized by resolution of the district board, and shall bear such date or dates, and shall mature at such time or times, but not in excess of thirty years, as the resolution shall specify. Such bonds, notes, or other obligations shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places, and be subject to redemption as such resolution may provide, notwithstanding section 108.170, RSMo. The bonds, notes, or other obligations may be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine;

(5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber real and personal property in furtherance of district purposes;

(6) To refund any bonds, notes, or other obligations of the district without an election. The terms and conditions of refunding obligations shall be substantially the same as those of the original issue, and the board shall provide for the payment of interest at not to exceed the legal rate, and the principal of such refunding obligations in the same manner as is provided for the payment of interest and principal of obligations refunded;

(7) To have the management, control, and supervision of all the business and affairs of the district, and the construction, installation, operation, and maintenance of district improvements therein; to collect rentals, fees, and other charges in connection with its services or for the use of any of its facilities;

(8) To hire and retain agents, employees, engineers, and attorneys;

(9) To receive and accept by bequest, gift, or donation any kind of property;

(10) To adopt and amend bylaws and any other rules and regulations not in conflict with the constitution

and laws of this state, necessary for the carrying on of the business, objects, and affairs of the board and of the district; and

(11) To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted by this section.

9. There is hereby created the “Exhibition Center and Recreational Facility District Sales Tax Trust Fund”, which shall consist of all sales tax revenue collected pursuant to this section. The director of revenue shall be custodian of the trust fund, and moneys in the trust fund shall be used solely for the purposes authorized in this section. Moneys in the trust fund shall be considered nonstate funds pursuant to section 15, article IV, Constitution of Missouri. The director of revenue shall invest moneys in the trust fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the trust fund. All sales taxes collected by the director of revenue pursuant to this section on behalf of the district, less one percent for the cost of collection which shall be deposited in the state’s general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in the trust fund. The director of revenue shall keep accurate records of the amount of moneys in the trust fund which was collected in the district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of the officers of each district and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district. The director of revenue may authorize refunds from the amounts in the trust fund and credited to the district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of the district.

10. The sales tax authorized by this section is in addition to all other sales taxes allowed by law. **After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.**

11. Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, apply to the sales tax imposed pursuant to this section.

[11.] 12. Any sales tax imposed pursuant to this section shall not extend past the initial term approved by the voters unless an extension of the sales tax is submitted to and approved by the qualified voters in each county in the manner provided in this section. Each extension of the sales tax shall be for a period not to exceed twenty years. The ballot of submission for the extension shall be in substantially the following form:

Shall the (name of district) extend the sales tax of one-fourth of one percent for a period of (insert number of years) years to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast favor the extension, then the sales tax shall remain in effect at the rate and for the time period approved by the voters. If a sales tax extension is not approved, the district may submit

another sales tax proposal as authorized in this section, but the district shall not submit such a proposal to the voters sooner than twelve months from the date of the last extension submitted.

[12.] **13.** Once the sales tax authorized by this section is abolished or terminated by any means, all funds remaining in the trust fund shall be used solely for the purposes approved in the ballot question authorizing the sales tax. The sales tax shall not be abolished or terminated while the district has any financing or other obligations outstanding; provided that any new financing, debt, or other obligation or any restructuring or refinancing of an existing debt or obligation incurred more than ten years after voter approval of the sales tax provided in this section or more than ten years after any voter-approved extension thereof shall not cause the extension of the sales tax provided in this section or cause the final maturity of any financing or other obligations outstanding to be extended. Any funds in the trust fund which are not needed for current expenditures may be invested by the district in the securities described in subdivisions (1) to (12) of subsection 1 of section 30.270, RSMo, or repurchase agreements secured by such securities. If the district abolishes the sales tax, the district shall notify the director of revenue of the action at least ninety days before the effective date of the repeal, and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the sales tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the sales tax in the district, the director of revenue shall remit the balance in the account to the district and close the account of the district. The director of revenue shall notify the district of each instance of any amount refunded or any check redeemed from receipts due the district.

[13.] **14.** In the event that the district is dissolved or terminated by any means, the governing bodies of the counties in the district shall appoint a person to act as trustee for the district so dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and subscribe an oath to faithfully discharge the duties of the office, and shall give bond with sufficient security, approved by the governing bodies of the counties, to the use of the dissolved or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of the district, shall pay over to the county treasurer of each county in the district and take receipt for all remaining moneys in amounts based on the ratio the levy of each county bears to the total levy for the district in the previous three years or since the establishment of the district, whichever time period is shorter. Upon payment to the county treasurers, the trustee shall deliver to the clerk of the governing body of any county in the district all books, papers, records, and deeds belonging to the dissolved district.

67.2030. 1. The governing authority of any city of the fourth classification with more than one thousand six hundred but less than one thousand seven hundred inhabitants and located in any county of the first classification with more than seventy-three thousand seven hundred but less than seventy-three thousand eight hundred inhabitants is hereby authorized to impose, by ordinance or order, a sales tax in the amount not to exceed one-half of one percent on all retail sales made in such city which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo, for the promotion of tourism in such city. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to this section shall be effective unless the governing authority of the city submits to the qualified voters of the city, at any municipal or state general, primary, or special election, a proposal to authorize the governing authority of the city to impose a tax.

2. The ballot of submission shall be in substantially the following form:

“Shall the city of (city’s name) impose a citywide sales tax of (insert amount) for the purpose of promoting tourism in the city?”

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect on the first day of the [first] **second** calendar quarter immediately [following notification to] **after** the director of the department of revenue [of the election approving the proposal] **receives notification of adoption of the local sales tax**. If a proposal receives less than the required majority, then the governing authority of the city shall have no power to impose the sales tax unless and until the governing authority of the city has submitted another proposal to authorize the imposition of the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. [On and after the effective date of any tax authorized in this section, the city may adopt one of the two following provisions for the collection and administration of the tax:

(1) The city may adopt rules and regulations for the internal collection of such tax by the city officers usually responsible for collection and administration of city taxes; or

(2) The city may enter into an agreement with the director of revenue of the state of Missouri for the purpose of collecting the tax authorized in this section. In the event any city enters into an agreement with the director of revenue of the state of Missouri for the collection of the tax authorized in this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of such tax, and the director of revenue shall collect the additional tax authorized in this section. The tax authorized in this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue, and the director of revenue shall retain an amount not to exceed one percent for cost of collection.

4. If a tax is imposed by a city pursuant to this section, the city may collect a penalty of one percent and interest not to exceed two percent per month on unpaid taxes which shall be considered delinquent thirty days after the last day of each quarter.] **After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.**

[5.] **4.** (1) The governing authority of any city that has adopted any sales tax pursuant to this section shall, upon filing of a petition calling for the repeal of such sales tax signed by at least ten percent of the qualified voters in the city, submit the question of repeal of the sales tax to the qualified voters at any primary or general election. The ballot of submission shall be in substantially the following form:

Shall (insert name of city) repeal the sales tax of (insert rate of percent) percent for tourism

purposes now in effect in (insert name of city)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “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 the city or county abolishes the tax, the city or county shall notify the director of revenue of the action at least one hundred twenty days prior to the effective date of the repeal.**

(2) Once the tax is repealed as provided in this section, all funds remaining in any trust fund or account established to receive revenues generated by the tax shall be used solely for the original stated purpose of the tax. Any funds which are not needed for current expenditures may be invested by the governing authority in accordance with applicable laws relating to the investment of other city funds.

(3) The governing authority of a city repealing a tax pursuant to this section shall notify the director of revenue of the action at least forty-five days before the effective date of the repeal and the director of revenue may order retention in any trust fund created in the state treasury associated with the tax, for a period of one year, of two percent of the amount collected after receipt of such notice to cover refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of repeal of the tax in the city, the director of revenue shall remit the balance in the trust fund to the city and close the account of that city. The director of revenue shall notify each city of each instance of any amount refunded or any check redeemed from receipts due the city.

(4) In the event that the repeal of a sales tax pursuant to this section dissolves or terminates a taxing district, the governing authority of the city shall appoint a person to act as trustee for the district so dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and subscribe an oath to faithfully discharge the duties of the office, and shall give bond with sufficient security, approved by the governing authority of the city, to the use of the dissolved or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of the district, shall pay over to the city treasurer or the equivalent official and take receipt for all remaining moneys. Upon payment to the city treasurer, the trustee shall deliver to the clerk of the governing authority of the city all books, papers, records, and deeds belonging to the dissolved district.

[6.] 5. Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed pursuant to this section.

67.2525. 1. Each member of the board of directors shall have the following qualifications:

(1) As to those subdistricts in which there are registered voters, a resident registered voter in the subdistrict that he or she represents, or be a property owner or, as to those subdistricts in which there are not registered voters who are residents, a property owner or representative of a property owner in the subdistrict he or she represents;

(2) Be at least twenty-one years of age and a registered voter in the district.

2. The district shall be subdivided into at least five but not more than fifteen subdistricts, which shall

be represented by one representative on the district board of directors. All board members shall have terms of four years, including the initial board of directors. All members shall take office upon being appointed and shall remain in office until a successor is appointed by the mayor or chairman of the municipality in which the district is located, or elected by the property owners in those subdistricts without registered voters.

3. For those subdistricts which contain one or more registered voters, the mayor or chairman of the city, town, or village shall, with the consent of the governing body, appoint a registered voter residing in the subdistrict to the board of directors.

4. For those subdistricts which contain no registered voters, the property owners who collectively own one or more parcels of real estate comprising more than half of the land situated in each subdistrict shall meet and shall elect a representative to serve upon the board of directors. The clerk of the city, town, or village in which the petition was filed shall, unless waived in writing by all property owners in the subdistrict, give notice by causing publication to be made once a week for two consecutive weeks in a newspaper of general circulation in the county, the last publication of which shall be at least ten days before the day of the meeting required by this section, to call a meeting of the owners of real property within the subdistrict at a day and hour specified in a public place in the city, town, or village in which the petition was filed for the purpose of electing members of the board of directors.

5. The property owners, when assembled, shall organize by the election of a temporary chairman and secretary of the meeting who shall conduct the election. An election shall be conducted for each subdistrict, with the eligible property owners voting in that subdistrict. At the election, each acre of real property within the subdistrict shall represent one share, and each owner, including corporations and other entities, may have one vote in person or for every acre of real property owned by such person within the subdistrict. Each voter which is not an individual shall determine how to cast its vote as provided for in its articles of incorporation, articles of organization, articles of partnership, bylaws, or other document which sets forth an appropriate mechanism for the determination of the entity's vote. If a voter has no such mechanism, then its vote shall be cast as determined by a majority of the persons who run the day-to-day affairs of the voter. The results of the meeting shall be certified by the temporary chairman and secretary to the municipal clerk if the district is established by a municipality described in this section, or to the circuit clerk if the district is established by a circuit court.

6. Successor boards shall be appointed or elected, depending upon the presence or absence of resident registered voters, by the mayor or chairman of a city, town, or village described in this section, or the property owners as set forth above; provided, however, that elections held by the property owners after the initial board is elected shall be certified to the municipal clerk of the city, town, or village where the district is located and the board of directors of the district.

7. Should a vacancy occur on the board of directors, the mayor or chairman of the city, town, or village if there are registered voters within the subdistrict, or a majority of the owners of real property in a subdistrict if there are not registered voters in the subdistrict, shall have the authority to appoint or elect, as set forth in this section, an interim director to complete any unexpired term of a director caused by resignation or disqualification.

8. The board shall possess and exercise all of the district's legislative and executive powers, including:

(1) The power to fund, promote and provide educational, civic, musical, theatrical, cultural, concerts, lecture series, and related or similar entertainment events or activities, and fund, promote, plan, design, construct, improve, maintain, and operate public improvements, transportation projects, and related facilities

within the district;

(2) The power to accept and disburse tax or other revenue collected in the district; and

(3) The power to receive property by gift or otherwise.

9. Within thirty days after the selection of the initial directors, the board shall meet. At its first meeting and annually thereafter the board shall elect a chairman from its members.

10. The board shall appoint an executive director, district secretary, treasurer, and such other officers or employees as it deems necessary.

11. At the first meeting, the board, by resolution, shall define the first and subsequent fiscal years of the district, and shall adopt a corporate seal.

12. A simple majority of the board shall constitute a quorum. If a quorum exists, a majority of those voting shall have the authority to act in the name of the board, and approve any board resolution.

13. At the first meeting, the board, by resolution, shall receive the certification of the election regarding the sales tax, and may impose the sales tax in all subdistricts approving the imposing sales tax. In those subdistricts that approve the sales tax, the sales tax shall become effective on the first day of the [first] **second** calendar quarter [immediately following the action by the district board of directors imposing the tax] **after the director of revenue receives notification of adoption of the local sales tax.**

14. Each director shall devote such time to the duties of the office as the faithful discharge thereof may require and be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district. Directors may be compensated, but such compensation shall not exceed one hundred dollars per month.

15. In addition to all other powers granted by sections 67.2500 to 67.2530, the district shall have the following general powers:

(1) To sue and be sued in its own name, and to receive service of process, which shall be served upon the district secretary;

(2) To fix compensation of its employees and contractors;

(3) To enter into contracts, franchises, and agreements with any person or entity, public or private, affecting the affairs of the district, including contracts with any municipality, district, or state, or the United States, and any of their agencies, political subdivisions, or instrumentalities, for the funding, including without limitation, interest rate exchange or swap agreements, planning, development, construction, acquisition, maintenance, or operation of a district facility or to assist in such activity;

(4) To acquire, develop, construct, equip, transfer, donate, lease, exchange, mortgage, and encumber real and personal property in furtherance of district purposes;

(5) To collect and disburse funds for its activities;

(6) To collect taxes and other revenues;

(7) To borrow money and incur indebtedness and evidence the same by certificates, notes, bonds, debentures, or refunding of any such obligations for the purpose of paying all or any part of the cost of land, construction, development, or equipping of any facilities or operations of the district;

(8) To own or lease real or personal property for use in connection with the exercise of powers pursuant

to this subsection;

(9) To provide for the election or appointment of officers, including a chairman, treasurer, and secretary. Officers shall not be required to be residents of the district, and one officer may hold more than one office;

(10) To hire and retain agents, employees, engineers, and attorneys;

(11) To enter into entertainment contracts binding the district and artists, agencies, or performers, management contracts, contracts relating to the booking of entertainment and the sale of tickets, and all other contracts which relate to the purposes of the district;

(12) To contract with a local government, a corporation, partnership, or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining, or operating a project or to assist in such activity;

(13) To contract for transfer to a city, town, or village such district facilities and improvements free of cost or encumbrance on such terms set forth by contract;

(14) To exercise such other powers necessary or convenient for the district to accomplish its purposes which are not inconsistent with its express powers.

16. A district may at any time authorize or issue notes, bonds, or other obligations for any of its powers or purposes. Such notes, bonds, or other obligations:

(1) Shall be in such amounts as deemed necessary by the district, including costs of issuance thereof;

(2) Shall be payable out of all or any portion of the revenues or other assets of the district;

(3) May be secured by any property of the district which may be pledged, assigned, mortgaged, or otherwise encumbered for payment;

(4) Shall be authorized by resolution of the district, and if issued by the district, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify;

(5) Shall be in such denomination, bear interest at such rates, be in such form, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places and subject to redemption as such resolution may provide; and

(6) May be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine.

The provisions of this subsection are applicable to the district notwithstanding the provisions of section 108.170, RSMo.

67.2530. 1. Any note, bond, or other indebtedness of the district may be refunded at any time by the district by issuing refunding bonds in such amount as the district may deem necessary. Such bonds shall be subject to and shall have the benefit of the foregoing provisions regarding notes, bonds, and other obligations. Without limiting the generality of the foregoing, refunding bonds may include amounts necessary to finance any premium, unpaid interest, and costs of issuance in connection with the refunding bonds. Any such refunding may be effected whether the bonds to be refunded then shall have matured or thereafter shall mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations being refunded or the exchange of the refunding bonds for the obligations

being refunded with the consent of the holders of the obligations being refunded.

2. Notes, bonds, or other indebtedness of the district shall be exclusively the responsibility of the district payable solely out of the district funds and property and shall not constitute a debt or liability of the state of Missouri or any agency or political subdivision of the state. Any notes, bonds, or other indebtedness of the district shall state on their face that they are not obligations of the state of Missouri or any agency or political subdivision thereof other than the district.

3. Any district may by resolution impose a district sales tax of up to one-half of one percent on all retail sales made in such district that are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo. Upon voter approval, and receiving the necessary certifications from the governing body of the municipality in which the district is located, or from the circuit court if the district was formed by the circuit court, the board of directors shall have the power to impose a sales tax at its first meeting, or any meeting thereafter. Voter approval of the question of the imposing sales tax shall be in accordance with section 67.2520. [The sales tax shall become effective in those subdistricts that approve the sales tax on the first day of the first calendar quarter immediately following the passage of a resolution by the board of directors imposing the sales tax.

4. In each district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the district pursuant to this section to the retailer's sale price, and when so added, such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

5. In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285, RSMo.

6.] 4. All revenue received by a district from the sales tax authorized by this section shall be deposited in a special trust fund and shall be used solely for the purposes of the district. Any funds in such special trust fund which are not needed for the district's current expenditures may be invested by the district board of directors in accordance with applicable laws relating to the investment of other district funds.

[7.] 5. The sales tax may be imposed at a rate of up to one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to the provisions of sections 144.010 to 144.525, RSMo. Any district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the subdistricts approving the sales tax.

[8. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and the tax shall be reported and returned to and collected by the district.

9. (1) On and after the effective date of any sales tax imposed pursuant to this section, the district shall perform all functions incident to the administration, collection, enforcement, and operation of the tax. The

sales tax imposed pursuant to this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the district.

(2)] 6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

7. All [such] sales taxes [collected by the district] shall be deposited by the district in a special fund to be expended for the purposes authorized in this section. The district shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each district and the general public.

[(3) The district may contract with the municipality that the district is within for the municipality to collect any revenue received by the district and, after deducting the cost of such collection, but not to exceed one percent of the total amount collected, deposit such revenue in a special trust account. Such revenue and interest may be applied by the municipality to expenses, costs, or debt service of the district at the direction of the district as set forth in a contract between the municipality and the district.

10. (1) All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons, and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate, and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for violation of those sections are hereby made applicable to violations of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must

be forwarded elsewhere for acceptance, approval of credit, shipment, or billing. A sale by a retailer’s employee shall be deemed to be consummated at the place of business from which the employee works.

(7)] **8.** Subsequent to the initial approval by the voters and implementation of a sales tax in the district, the rate of the sales tax may be increased, but not to exceed a rate of one-half of one percent on retail sales as provided in this subsection. The election shall be conducted in accordance with section 67.2520; provided, however, that the district board of directors may place the question of the increase of the sales tax before the voters of the district by resolution, and the municipal clerk of the city, town, or village which originally conducted the incorporation of the district, or the circuit clerk of the court which originally conducted the incorporation of the district, shall conduct the subsequent election. In subsequent elections, the election judges shall certify the election results to the district board of directors. The ballot of submission shall be in substantially the following form:

Shall (name of district) increase the (insert amount) percent district sales tax now in effect to..... (insert amount) in the (name of district)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of the increase, the increase shall become effective [December thirty-first of the calendar year in which such increase was approved] **on the first day of the second calendar quarter after the director of revenue receives notification of the local sales tax increase.**

[11.] **9.** (1) There shall not be any election as provided for in this section while the district has any financing or other obligations outstanding.

(2) The board, when presented with a petition signed by at least one-third of the registered voters in a district that voted in the last gubernatorial election, or signed by at least two-thirds of property owners of the district, calling for an election to dissolve and repeal the tax shall submit the question to the voters using the same procedure by which the imposing tax was voted. The ballot of submission shall be in substantially the following form:

Shall (name of district) dissolve and repeal the (insert amount) percent district sales tax now in effect in the (name of district)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

Such subsequent elections for the repeal of the sales tax shall be conducted in accordance with section 67.2520; provided, however, that the district board of directors may place the question of the repeal of the sales tax before the voters of the district, and the municipal clerk of the city, town, or village which originally conducted the incorporation of the district, or the circuit clerk of the court which originally conducted the incorporation of the district, shall conduct the subsequent election. In subsequent elections the election judges shall certify the election results to the district board of directors.

(3) If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of repeal, that repeal shall become effective December thirty-first of the calendar year in which

such repeal was approved or after the repayment of the district’s indebtedness, whichever occurs later. **If the district abolishes the tax, the district shall notify the director of revenue of the action at least one hundred twenty days prior to the effective date of the repeal.**

[12.] **10.** (1) At such time as the board of directors of the district determines that further operation of the district is not in the best interests of the inhabitants of the district, and that the district should dissolve, the board shall submit for a vote in an election held throughout the district the question of whether the district should be abolished. The question shall be submitted in substantially the following form:

Shall the theater, cultural arts, and entertainment district be abolished?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

(2) The district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district, while the district liabilities exceed its assets, while indebtedness of the district is outstanding, or while the district is insolvent, in receivership or under the jurisdiction of the bankruptcy court. Prior to submitting the question to abolish the district to a vote of the entire district, the state auditor shall audit the district to determine the financial status of the district, and whether the district may be abolished pursuant to law. The vote on the abolition of the district shall be conducted by the municipal clerk of the city, town, or village in which the district is located. The procedure shall be the same as in section 67.2520, except that the question shall be determined by the qualified voters of the entire district. No individual subdistrict may be abolished, except at such time as the district is abolished.

(3) While the district still exists, it shall continue to accrue all revenues to which it is entitled at law.

(4) Upon receipt by the board of directors of the district of the certification by the city, town, or village in which the district is located that the majority of those voting within the entire district have voted to abolish the district, and if the state auditor has determined that the district’s financial condition is such that it may be abolished pursuant to law, then the board of directors of the district shall:

(a) Sell any remaining district real or personal property it wishes, and then transfer the proceeds and any other real or personal property owned by the district to the city, town, or village in which the district is located, including revenues due and owing the district, for its further use and disposition;

(b) Terminate the employment of any remaining district employees, and otherwise conclude its affairs;

(c) At a public meeting of the district, declare by a resolution of the board of directors passed by a majority vote that the district has been abolished effective that date;

(d) Cause copies of that resolution under seal to be filed with the secretary of state and the city, town, or village in which the district is located.

Upon the completion of the final act specified in this subsection, the legal existence of the district shall cease.

(5) The legal existence of the district shall not cease for a period of two years after voter approval of the abolition.

11. Except as provided in this section, all provisions of sections 32.085 and 32.087 shall apply to

the tax imposed under this section.”; and

Further amend said bill, Section 94.577, Page 9, Line 224, by inserting after all of said section the following:

“94.578. 1. In addition to the sales tax authorized in section 94.577, the governing body of any home rule city with more than one hundred fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on all retail sales made within the city which are subject to sales tax under chapter 144, RSMo. The tax authorized in this section may be imposed at a rate of one-eighth, one-fourth, three-eighths, or one-half of one percent, but shall not exceed one-half of one percent, shall not be imposed for longer than three years, and shall be imposed solely for the purpose of funding the construction, operation, and maintenance of capital improvements in the city’s center city. The governing body may issue bonds for the funding of such capital improvements, which will be retired by the revenues received from the sales tax authorized by this section. The order or ordinance shall not become effective unless the governing body of the city submits to the voters residing within the city at a state or municipal general, primary, or special election a proposal to authorize the governing body of the city to impose a tax under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

2. The ballot submission for the tax authorized in this section shall be in substantially the following form:

Shall (insert the name of the city) impose a sales tax at a rate of(insert rate of percent) percent for a capital improvements purposes in the city’s center city for a period of (insert number of years, not to exceed three) years?

YES

NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question. In no case shall a tax be resubmitted to the qualified voters of the city sooner than twelve months from the date of the proposal under this section.

3. Any sales tax imposed under this section shall be administered, collected, enforced, and operated as required in [section] **sections 32.085 and 32.087**, RSMo. All revenue generated by the tax shall be deposited in a special trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures shall be invested in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any city for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such cities. If any city abolishes the tax, the city shall notify the director of revenue of the action at least ninety days before the effective date of the repeal, and

the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such city, the director of revenue shall remit the balance in the account to the city and close the account of that city. The director of revenue shall notify each city of each instance of any amount refunded.

5. 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 capital improvements purposes in the city’s center 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. **If the city or county abolishes the tax, the city or county shall notify the director of revenue of the action at least one hundred twenty days prior to the effective date of the repeal.**

6. 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.

7. Except as provided in this section, all provisions of sections 32.085 and 32.087 apply to the sales tax imposed under this section.

94.605. 1. Any city as defined in section 94.600 may by a majority vote of its governing body impose a sales tax for transportation purposes enumerated in sections 94.600 to 94.655.

2. The sales tax may be imposed at a rate not to exceed one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo.

3. With respect to any tax increment financing plan originally approved by ordinance of the city council after March 31, 2009, in any home rule city with more than four hundred thousand inhabitants and located in more than one county, any three-eighths of one cent sales tax imposed under sections 94.600 to 94.655 shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918, RSMo, and tax revenues derived from such taxes shall not be subject to allocation under the provisions of

subsection 3 of section 99.845, RSMo, or subsection 4 of section 99.957, RSMo. Any one-eighth of one cent sales tax imposed in such city under sections 94.600 to 94.655 for constructing and operating a light-rail transit system shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918, RSMo, and tax revenues derived from such tax shall not be subject to allocation under the provisions of subsection 3 of section 99.845, RSMo, or subsection 4 of section 99.957, RSMo.

[4. If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city or county clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.600 to 94.655 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary.]

94.660. 1. The governing body of any city not within a county and any county of the first classification having a charter form of government with a population of over nine hundred thousand inhabitants may propose, by ordinance or order, a transportation sales tax of up to one percent for submission to the voters of that city or county at an authorized election date selected by the governing body.

2. Any sales tax approved under this section shall be imposed on the receipts from the sale at retail of all tangible personal property or taxable services within the city or county adopting the tax, if such property and services are subject to taxation by the state of Missouri under sections 144.010 to 144.525, RSMo.

3. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county/city of(county’s or city’s name) impose a county/city-wide sales tax of.....percent for the purpose of providing a source of funds for public transportation purposes?

YES

NO

Except as provided in subsection 4 of this section, if a majority of the votes cast in that county or city not within a county on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall go into effect on the first day of the [next] **second** calendar quarter beginning after [its adoption and notice to] the director of revenue[, but no sooner than thirty days after such adoption and notice] **receives notice of adoption of the local sales tax.** If a majority of the votes cast in that county or city not within a county by the qualified voters voting are opposed to the proposal, then the additional sales tax shall not be imposed in that county or city not within a county unless and until the governing body of that county or city not within a county shall have submitted another proposal to authorize the local option transportation sales tax authorized in this section, and such proposal is approved by a majority of the qualified voters voting on it. In no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal.

4. No tax shall go into effect under this section in any city not within a county or any county of the first classification having a charter form of government with a population over nine hundred thousand inhabitants unless and until both such city and such county approve the tax.

5. The provisions of subsection 4 of this section requiring both the city and county to approve a transportation sales tax before a transportation sales tax may go into effect in either jurisdiction shall not apply to any transportation sales tax submitted to and approved by the voters in such city or such county on or after August 28, 2007.

6. All sales taxes collected by the director of revenue under this section on behalf of any city or county, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds, shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Public Transit Sales Tax Trust Fund". The sales taxes shall be collected as provided in section 32.087, RSMo. The moneys in the trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each city or county approving a sales tax under this section, and the records shall be open to inspection by officers of the city or county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the city or county which levied the tax, and such funds shall be deposited with the treasurer of each such city or county and all expenditures of funds arising from the county public transit sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county or city not within a county.

7. The revenues derived from any transportation sales tax under this section shall be used only for the planning, development, acquisition, construction, maintenance and operation of public transit facilities and systems other than highways.

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

94.705. 1. Any city may by a majority vote of its governing body impose a sales tax for transportation purposes enumerated in sections 94.700 to 94.755, and issue bonds for transportation purposes which shall be retired by the revenues received from the sales tax authorized by this section. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law. No ordinance imposing a sales tax pursuant to the provisions of this section shall become effective unless the council or other governing body submits to the voters of the city, at a city or state general, primary, or special election, a proposal to authorize the council or other governing body of the city to impose such a sales tax and, if such tax is to be used to retire bonds authorized pursuant to this section, to authorize such bonds and their retirement by such tax; except that no vote shall be required in any city that imposed and collected such tax under sections 94.600 to 94.655, before January 5, 1984. The ballot of the submission shall contain, but is not limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section, the following language:

Shall the city of (city's name) impose a sales tax of (insert amount) for transportation purposes?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”;

(2) If the proposal submitted involves authorization to issue bonds and repay such bonds with revenues from the tax authorized by this section, the following language:

Shall the city of (city’s name) issue bonds in the amount of (insert amount) for transportation purposes and impose a sales tax of (insert amount) to repay such bonds?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal, provided in subdivision (1) of this subsection, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect. If the four-sevenths majority of the votes, as required by the Missouri Constitution, article VI, section 26, cast on the proposal, provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect. If a majority of the votes cast on the proposal, as provided in subdivision (1) of this subsection, by the qualified voters voting thereon are opposed to the proposal, then the council or other governing body of the city shall have no power to impose the tax authorized in subdivision (1) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to impose the tax and such proposal is approved by a majority of the qualified voters voting thereon. If more than three-sevenths of the votes cast by the qualified voters voting thereon are opposed to the proposal, as provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, then the council or other governing body of the city shall have no power to issue any bonds or to impose the tax authorized in subdivision (2) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to issue such bonds or impose the tax to retire such bonds and such proposal is approved by four-sevenths of the qualified voters voting thereon.

2. No incorporated municipality located wholly or partially within any first class county operating under a charter form of government and having a population of over nine hundred thousand inhabitants shall impose such a sales tax for that part of the city, town or village that is located within such first class county, in the event such a first class county imposes a sales tax under the provisions of sections 94.600 to 94.655.

3. The sales tax may be imposed at a rate not to exceed one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo.

4. [If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.700

to 94.755 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary.

5.] No tax imposed pursuant to this section for the purpose of retiring bonds issued pursuant to this section may be terminated until all of such bonds have been retired.

144.010. 1. The following words, terms, and phrases when used in sections 144.010 to 144.525 **and sections 144.1025 to 144.1076** have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) **“Agreement”, the streamlined sales and use tax agreement, as amended from time to time;**

(2) **“Admission”** includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

[(2)] (3) “Advertising and promotional direct mail”, printed material that meets the definition of direct mail, the primary purpose of which is to attract public attention to a product, person, business, or organization, or to attempt to sell, popularize, or secure financial support for a product, person, business, or organization. As used in this subdivision, the word “product” means tangible personal property, a product transferred electronically or a service;

(4) **“Air-to-ground radiotelephone service”, a radio service, as that term is defined in 47 C.F.R. 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft;**

(5) **“Alcoholic beverages”, beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume;**

(6) **“Ancillary services”, services that are associated with or incidental to the provisions of telecommunications services, including but not limited to, detailed telecommunications billing, directory assistance, vertical service, and voice mail services;**

(7) **“Bundled transaction”, the retail sale of two or more products, except real property and services to real property, where the products are otherwise distinct and identifiable, and the products are sold for one non-itemized price. A “bundled transaction” shall not include the sale of any products in which the sales price varies, or is negotiable, based on the selection by the purchaser of the products included in the transaction. As used in this subdivision, the term “distinct and identifiable products” shall not include:**

(a) **Packaging, such as containers, boxes, sacks, bags, bottles, wrapping, labels, tags, instruction guides, or other materials that accompany the retail sale of the products and are incidental or immaterial to the retail sale thereof;**

(b) **A product provided free of charge with the required purchase of another product. A product is provided free of charge if the sales price of the product purchased does not vary depending on the inclusion of the product provided free of charge;**

(c) **Items included in the definition of the term “sales price”. As used in this subdivision, the term “one non-itemized price” shall not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt, contract, service**

agreement, lease agreement, periodic notice of rates and services, rate card, or price list. A transaction that otherwise meets the definition of a bundled transaction as defined in this subdivision shall not constitute a bundled transaction if it is:

a. A retail sale of tangible personal property and a service where the tangible personal property is essential to the use of the service and is provided exclusively in connection with the service and the true object of the transaction is the service; or

b. A retail sale of services where one service is provided that is essential to the use of receipt of a second service and the first service is provided exclusively in connection with the second service and the true object of the transaction is the second service; or

c. A transaction that includes taxable products and nontaxable products and the sales price of the taxable products is de minimis. “De minimis” means the sales price of the taxable product is ten percent or less of the total sales price of the bundled products.

Sellers shall use the sales price of the products to determine if the taxable products are de minimis. Sellers shall use the full term of a service contract to determine if the taxable products are de minimis; or

d. A retail sale of exempt tangible personal property and taxable tangible personal property where:

i. The transaction included food and food ingredients, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or medical supplies; and

ii. The seller’s purchase price or sales price of the taxable tangible personal property is fifty percent or less of the total sales price of the bundled tangible personal property;

(8) “Business” includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

[(3)] (9) “Call-by-call basis”, any method of charging for telecommunications services where the price is measured by individual calls;

(10) “Certified automated system” or “CAS”, software certified under the streamlined sales and use tax agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state, and maintain a record of the transaction;

(11) “Certified service provider” or “CSP”, an agent certified under the streamlined sales and use tax agreement to perform all the seller’s sales and use tax functions, other than the seller’s obligation to remit tax on its own purchases;

(12) **“Communications channel”**, a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points;

(13) **“Computer software”**, a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task;

(14) **“Customer”**, the person or entity that contracts with the seller of telecommunications services. If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunication service, but this subdivision only applies to the purpose of sourcing sales of telecommunications under chapter 314. **“Customer”** shall not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider’s licensed service area;

(15) **“Customer channel termination point”**, the location where the customer either inputs or receives the communication;

(16) **“Delivered electronically”**, delivered to the purchaser by means other than tangible storage media;

(17) **“Delivery charges”**, charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing;

(18) **“Dietary supplement”**, any product, other than tobacco, intended to supplement the diet that contains one or more of the following dietary ingredients: a vitamin; a mineral; an herb or other botanical; an amino acid; a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; or a concentrate, metabolite, constituent, extract, or combination of any ingredient described above; and that is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as a conventional food and is not represented for use as a sole item of a meal or of the diet; and that is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. Section 101.36;

(19) **“Direct mail”**, printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. The term **“direct mail”** shall include tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. **“Direct mail”** shall not include multiple items of printed material delivered to a single address;

(20) **“Drug”**, a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, alcoholic beverages, or grooming and hygiene products:

(a) Recognized in the official United State Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(b) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(c) Intended to affect the structure or any function of the body;

(21) “Durable medical equipment”, equipment including repair and replacement parts for same, excluding mobility enhancing equipment. Durable medical equipment:

- (a) Can withstand repeated use;**
- (b) Is primarily and customarily used to serve a medical purpose;**
- (c) Generally is not useful to a person in the absence of illness or injury;**
- (d) Is not worn in or on the body;**
- (e) Is for home use;**
- (f) Is within the classification of devices eligible for MO HealthNet and Medicare reimbursement;**
- (g) Shall not include:**
 - a. Oxygen delivery equipment not worn in or on the body, including repair and replacement parts;**
 - b. Kidney dialysis equipment not worn in or on the body, including repair and replacement parts;**
- and**
- c. Enteral feeding systems not worn in or on the body, including repair and replacement parts.**

As used in this subdivision, the term “repair and replacement parts” shall include all components or attachments used in conjunction with the durable medical equipment;

(22) “Electronic”, relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;

(23) “End user”, the person who utilizes the telecommunication service. In case of an entity, “end user” means the individual who utilizes the service on behalf of the entity;

(24) “Food and food ingredients”, substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. “Food and food ingredients” shall not include alcoholic beverages, tobacco, or dietary supplements;

(25) “Food sold through vending machines”, food dispensed from a machine or other mechanical device that accepts payment;

(26) “Grooming and hygiene products”, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the items meet the definition of over-the-counter-drugs;

(27) “Grooming and hygiene products”, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the items meet the definition of over-the-counter-drugs;

(28) “Gross receipts” or “sales price”, except as provided in section 144.012, [means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term “gross receipts” shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges

incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid] **applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:**

(a) The seller's cost of the property sold;

(b) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

(c) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(d) Delivery charges;

(e) Installation charges; and

(f) Credit for any trade-in, as determined by state law;

(29) "Home service provider", the same as that term is defined in Section 124(5) of Public Law 106-252, Mobile Telecommunications Sourcing Act;

(30) "Lease or rental", any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend. The term "lease or rental" shall not include:

(a) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

(b) A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price does not exceed the greater of one hundred dollars or one percent of the total required payments;

(c) Providing tangible personal property along with an operator for a fixed or indeterminate period of time provided that the operator is necessary for the equipment to perform as designed and the operator does more than maintain, inspect, or set up the tangible personal property;

(d) Agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. 7701(h)(1), as amended;

[4.] **(31) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, RSMo, llamas, alpaca, buffalo, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption;**

[5.] **(32) "Load and leave", delivery to the purchaser by use of a tangible storage media where**

the tangible storage media is not physically transferred to the purchaser;

(33) “Mobile telecommunications service”, the same as that term is defined in Section 124(7) of Public Law 106-252, Mobile Telecommunications Sourcing Act;

(34) “Mobility enhancing equipment”, equipment, including repair and replacement parts to same, which:

(a) Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; and

(b) Is not generally used by persons with normal mobility; and

(c) Is within the classification of devices eligible for MO HealthNet and Medicare reimbursement.

The term “mobility enhancement equipment” shall not include durable medical equipment or any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer;

(35) “Model 1 seller”, a seller registered under the agreement that has selected a certified service provider as its agent to perform all the seller’s sales and use tax functions, other than the seller’s obligation to remit tax on its own purchases;

(36) “Model 2 seller”, a seller that has selected a certified automated system (CAS) to perform part of its sales and use tax functions, but retains responsibility for remitting the tax;

(37) “Model 3 seller”, a seller registered under the agreement that has sales in at least five member states, has total annual sales revenue of at least five hundred million dollars, has a proprietary system that calculates the amount of tax due each jurisdiction, and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this subdivision, a seller shall include an affiliated group of sellers using the same proprietary system;

(38) “Motor vehicle leasing company” [shall be], a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

[6.] (39) “Other direct mail”, any direct mail that is not advertising and promotional direct mail regardless of whether advertising and promotional direct mail is included in the same mailing. The term “other direct mail” shall include, but not be limited to:

(a) Transactional direct mail that contains personal information specific to the one addressee including, but not limited to, invoices, bills, statements of account, and payroll advices;

(b) Any legally required mailings including, but not limited to, privacy notices, tax reports, and stockholder reports; and

(c) Other nonpromotional direct mail delivered to existing or former shareholders, customers, employees, or agents including, but not limited to, newsletters and informational pieces.

The term “other direct mail” shall not include the development of billing information or the provision or any data processing service that is more than incidental;

(40) “Over-the-counter-drug”, a drug, excluding grooming and hygiene products, that contains a label that identifies the product as a drug as required by 21 C.F.R. Section 201.66 and includes:

(a) A drug facts panel; or

(b) A statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation;

(41) “Person” [includes], any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

[7.] (42) “Place of primary use”, the street address representative of where the customer’s use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In Streamlined Sales and Use Tax Agreement, Page 29, January 13, 2006, the case of mobile telecommunications services, place of primary use must be within the licensed service area of the home service provider;

(43) “Post-paid calling service”, the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunications service;

(44) “Prepaid calling service”, the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount;

(45) “Prepaid wireless calling service”, a telecommunications service that provides the right to utilize mobile wireless services as well as other non-telecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use in a known amount;

(46) “Prepared food”, food sold in a heated state or heated by the seller; two or more food ingredients mixed or combined by the seller for sale as a single item; or food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate shall not include a container or packaging used to transport the food. “Prepared food” shall not include food that is only cut, repackaged, or pasteurized by the seller and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Part 401.11 of the Food Code so as to prevent food borne illnesses;

(47) “Prescription”, an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of the state;

(48) “Prewritten computer software”, computer software, including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten

portions thereof shall not cause the combination to be other than prewritten computer software. Prewritten computer software shall include software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances computer software of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software; provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute prewritten computer software;

(49) "Private communication service", a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels;

(50) "Product-based exemption", an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product;

(51) "Product which is intended to be sold ultimately for final use or consumption", tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent to these taxes, in this state or any other state;

(52) "Prosthetic device", a replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction, or support a weak or deformed portion of the body. The term "prosthetic device" shall not include corrective eyeglasses or contact lenses and shall be limited to the classification of devices eligible for MO HealthNet and Medicare reimbursement;

(53) "Purchase price", applies to the measure subject to use tax and has the same meaning as sales price;

(54) "Purchaser" [means], a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

[(8)] (55) "Receive" or "receipt", taking possession of tangible personal property; making first use of services; or taking possession or making first use of digital goods, whichever comes first. The terms "receive" and "receipt" shall not include possession by a shipping company on behalf of the purchaser;

(56) "Research or experimentation activities" [are], the development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;

[(9) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the

sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(10)] **(57)** “Sale at retail” [means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property], **any sale, lease, or rental for any purpose other than for resale, sublease, or subrent. Purchases of tangible personal property made by duly licensed physicians, dentists, optometrists, and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale.** Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term “sale at retail” shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(58) “Sales price”, applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

(a) The seller’s cost of the property sold;

(b) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to

the seller, all taxes imposed on the seller, and any other expense of the seller;

(c) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(d) Delivery charges;

(e) Installation charges; or

(f) Credit for any trade-in, as determined by state law;

[(11)] **(59) “Seller” means a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;**

[(12)] **(60) “Service address”, the location of the telecommunications equipment to which a customer’s call is charged and from which the call originates or terminates, regardless of where the call is billed or paid. If the location the telecommunications equipment to which a customer’s call is charged and from which the call originates or terminates is not known, the service address shall be the location of the customer’s place of primary use;**

(61) “Tangible personal property”, personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. “Tangible personal property” shall include electricity, water, gas, steam, and prewritten computer software;

(62) The noun “tax” means either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he or she is required to report his or her collections, as the context may require;

[(13)] **(63) “Telecommunications service”, [for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, “information” means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer’s bill or on records of the seller maintained in the ordinary course of business:**

(a) Access to the Internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services; and

(14) “Product which is intended to be sold ultimately for final use or consumption” means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state.] the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term “telecommunications service” shall include such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such

service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. “Telecommunications service” shall include air-to-ground radiotelephone service, mobile telecommunications service, post-paid calling service, prepaid calling service, prepaid wireless calling service, and private communication service. “Telecommunications service” shall not include:

(a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where such purchaser’s primary purpose for the underlying transaction is the processed data or information;

(b) Installation or maintenance of wiring or equipment on a customer’s premises;

(c) Tangible personal property;

(d) Advertising, including but not limited to directory advertising;

(e) Billing and collection services provided to third parties;

(f) Internet access service;

(g) Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance, and routing of such services by the programming service provider. Radio and television audio and video programming services shall include but not be limited to cable service, as defined in 47 U.S.C. 522(6), and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 C.F.R. 20.3;

(h) Ancillary services; or

(i) Digital products delivered electronically, including, but not limited to, software, music, video, reading materials, or ring tones;

(64) “Transportation equipment”, any of the following:

(a) Locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce;

(b) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one pounds or greater, trailers, semi-trailers, or passenger buses that are:

a. Registered through the International Registration Plan; and

b. Operated under authority of a carrier authorized and certificated by the United States Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce;

c. Aircraft that are operated by air carriers authorized and certificated by the United States Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce;

(c) Containers designed for use on and component parts attached or secured on the items set forth in subparagraphs a. to c. of paragraph (b) of this subdivision;

(65) “Tobacco”, cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term “manufactured homes” shall have the same meaning given it in section 700.010, RSMo.

3. Sections 144.010 to 144.525 may be known and quoted as the “Sales Tax Law”.

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1, 1997, the tax levied and imposed pursuant to sections 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent. The revenue derived from the one percent rate pursuant to this section shall be deposited by the state treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

2. For the purposes of this section, the term “food” shall include only those products and types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be amended hereafter, and shall include food dispensed by or through vending machines. For the purpose of this section, except for vending machine sales, the term “food” shall not include food or drink sold by any establishment where the gross receipts derived from the sale of food prepared by such establishment for immediate consumption on or off the premises of the establishment constitutes more than eighty percent of the total gross receipts of that establishment, regardless of whether such prepared food is consumed on the premises of that establishment, including, but not limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or café.”; and

Further amend said bill, Section 144.030, Pages 13-14, Lines 103-117, by deleting all of said lines and inserting in lieu thereof the following:

“(18) All sales of [insulin and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities] **drugs, durable medical equipment, prosthetic devices, and mobility enhancing equipment;**”; and

Further amend said bill, Section 144.030, Page 18, Line 271, by inserting after all of said section the following:

“144.049. 1. For purposes of this section, the following terms mean:

(1) “Clothing”, [any article of wearing apparel, including footwear, intended to be worn on or about the human body. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the

exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and] **all human wearing apparel suitable for general use. “Clothing” shall not include:**

(a) Belt buckles sold separately;

(b) Costume masks sold separately;

(c) Patches and emblems sold separately;

(d) Sewing equipment and supplies, including but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles; and

(e) Sewing materials that become part of “clothing” including, but not limited to, buttons, fabric, lace, thread, yarn, and zippers;

(2) [“Personal computers”, a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitalizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) “School supplies”, [any item normally used by students in a standard classroom for educational purposes, including but not limited to textbooks, notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall also include computer software having a taxable value of three hundred fifty dollars or less] **items commonly used by a student in a course of study which shall be limited to: binders; book bags; calculators; cellophane tape; blackboard chalk; compasses; composition books; crayons; erasers; expandable, pocket, plastic, and manila folders; glue; paste; paste sticks; highlighters; index cards; index card boxes; legal pads; lunch boxes; markers; notebooks; paper; loose leaf ruled notebook paper; copy paper; graph paper; tracing paper; manila paper; colored paper; poster board; construction paper; pencil boxes and other school supply boxes; pencil sharpeners; pencils; pens; prewritten computer software; protractors; scissors; writing tablets; school art supplies; school instructional materials; and school computer supplies;**

(4) “School art supplies”, items commonly used by a student in a course of study for artwork and shall only include:

(a) Clay and glazes;

(b) Paints, acrylic, tempera, and oil;

(c) Paintbrushes for artwork;

(d) Sketch and drawing pads;

(e) Watercolors;

(5) “School instructional materials”, written materials commonly used by a student in a course of study as a reference and to learn the subject being taught which shall only include:

(a) Reference books;

(b) Reference maps and globes;

(c) Textbooks; and

(d) Workbooks;

(6) “School computer supplies”, items commonly used by a student in a course of study in which a computer is used, which shall be limited to:

(a) Computer storage media, diskettes, compact disks;

(b) Handheld electronic schedulers, except devices that are cellular phones;

(c) Personal digital assistants, except devices that are cellular phones; and

(d) Computer printers and printer supplies for computers, printer paper, and printer ink.

2. In each year beginning on or after January 1, 2005, there is hereby specifically exempted from state sales tax law all retail sales of any article of clothing having a taxable value of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per purchase, all computer software with a taxable value of three hundred fifty dollars or less, and all retail sales of [personal] computers [or computer peripheral devices] not to exceed three thousand five hundred dollars, during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following.

3. [If the governing body of any political subdivision adopted an ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax holiday to apply to such political subdivision’s local sales tax, then, notwithstanding any provision of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such political subdivision’s local sales tax. However, any such political subdivision may enact an ordinance to allow the 2005 sales tax holiday to apply to its local sales taxes. A political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.

4.] This section shall not apply to any sales which take place within the Missouri state fairgrounds.

[5.] **4.** This section applies to sales of items bought for personal use only.

[6. After the 2005 sales tax holiday, any political subdivision may, by adopting an ordinance or order, choose to prohibit future annual sales tax holidays from applying to its local sales tax. After opting out, the political subdivision may rescind the ordinance or order. The political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.

7. This section may not apply to any retailer when less than two percent of the retailer’s merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax refund in lieu of the sales tax holiday.]

144.100. 1. Every person making any taxable sales of property or service, except transactions provided for in sections 144.070 and 144.440, individually or by duly authorized officer or agent, shall make and file a written return with the director of revenue in such manner as he may prescribe.

2. The returns shall be on blanks designed and furnished by the director of the department of revenue and shall be filed at the times provided in sections 144.080 and 144.090. The returns shall show the amount

of gross receipts from sales of taxable property and services by the person and the amount of tax due thereon by that person during and for the period covered by the return. **The director shall only require a single tax return for each taxing period and such return shall include only the taxing jurisdictions in which the seller makes sales within the state.** With each return, the person shall remit to the director of revenue the full amount of the tax due.

3. In case of charge and time sales the gross receipts thereof shall be included as sales in the returns as and when payments are received by the person, without any deduction therefrom whatsoever.

4. If an error or omission is discovered in a return or a change be necessary to show the true facts, the error may be corrected, the omission supplied, or the change made in the return next filed with the director for the filing period immediately following the filing period in which the error was made or the omission occurred, as prescribed by law, except that no refund under this chapter shall be allowed for any amount of tax paid by a seller which is based upon charges incident to credit card discounts. Any other omission or error must be corrected by filing an amended return for the erroneously reported period if the amount of tax is less than that originally reported, or an additional return if the amount of tax is greater than that originally reported. An additional return shall be deemed filed on the date the envelope in which it is mailed is postmarked or the date it is received by the director, whichever is earlier. Any payment of tax, interest, penalty or additions to tax shall be deemed filed on the date the envelope containing the payment is postmarked or the date the payment is received by the director, whichever is earlier. If a refund or credit results from the filing of an amended return, no refund or credit shall be allowed unless an application for refund or credit is properly completed and submitted to the director pursuant to section 144.190.

5. The amount of gross receipts from sales and the amount of tax due returned by the person, as well as all matters contained in the return, is subject to review and revision in the manner herein provided for the correction of the returns.

6. The director of revenue may require any seller to file and remit sales tax electronically through a simplified electronic return.

144.105. 1. The state shall review software submitted to the streamlined sales and use tax governing board for certification as a certified automated system (CAS) under Section 501 of the streamlined sales and use tax agreement. Such review shall include a review to determine that the program adequately classifies the state's product-based exemptions. Upon completion of the review, the state shall certify to the governing board its acceptance of the classifications made by the system. The state shall relieve a certified service provider (CSP) or model 2 seller from liability to this state and its local jurisdictions for failure to collect sales or use taxes resulting from the CSP or model 2 seller's reliance on the certification provided by the state.

2. The streamlined sales and use tax governing board and this state shall not be responsible for classification of an item or transaction with the product-based exemptions. The relief from liability provided in this section shall not be available for a CSP or model 2 seller that has incorrectly classified an item or transaction into a product-based exemption certified by this state. This subsection shall apply to the individual listing of items or transactions within a product definition approved by the governing board or the state.

3. If the state determines that an item or transaction is incorrectly classified as to its taxability, it shall notify the CSP or model 2 seller of the incorrect classification. The CSP or model 2 seller shall have ten days to revise the classification after receipt of notice from the state of the determination.

Upon expiration of the ten days, such CSP or model 2 seller shall be liable for failure to collect the correct amount of sales or use taxes due and owing to the state.

144.526. 1. This section shall be known and may be cited as the “Show Me Green Sales Tax Holiday”.

2. For purposes of this section, the following terms mean:

(1) “Appliance”, clothes washers and dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers; and

(2) “Energy star certified”, any appliance approved by both the United States Environmental Protection Agency and the United States Department of Energy as eligible to display the energy star label, as amended from time to time.

3. In each year beginning on or after January 1, 2009, there is hereby specifically exempted from state sales tax law all retail sales of any energy star certified new appliance, up to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April nineteenth and ending at midnight on April twenty-fifth.

[4. A political subdivision may allow the sales tax holiday under this section to apply to its local sales taxes by enacting an ordinance to that effect. Any such political subdivision shall notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any such ordinance or order.

5. This section may not apply to any retailer when less than two percent of the retailer’s merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax refund in lieu of the sales tax holiday.]

144.625. To secure the payment of the tax, interest and penalties, which may become due from a vendor as provided in sections 144.600 to 144.745, the director of revenue may, where necessary to secure the payment of the tax, interest, and penalties require [all vendors] **a vendor** to file a bond or a letter of credit in an amount to be determined by the director, under the same requirements as provided in section 144.087.

144.655. 1. Every vendor, on or before the last day of the month following each calendar quarterly period of three months, shall file with the director of revenue a return of all taxes collected for the preceding quarter in the form prescribed by the director of revenue, showing the total sales price of the tangible personal property sold by the vendor, the storage, use or consumption of which is subject to the tax levied by this law, and other information the director of revenue deems necessary. The return shall be accompanied by a remittance of the amount of the tax required to be collected by the vendor during the period covered by the return. Returns shall be signed by the vendor or the vendor’s authorized agent. The director of revenue may promulgate rules or regulations changing the filing and payment requirements of vendors, but shall not require any vendor to file and pay more frequently than required in this section.

2. Where the aggregate amount of tax required to be collected by a vendor is in excess of two hundred and fifty dollars for either the first or second month of a calendar quarter, the vendor shall pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month. The amount so paid shall be allowed as a credit against the liability shown on the vendor’s quarterly return required by this section.

3. Where the aggregate amount of tax required to be collected by a vendor is less than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit the vendor to file a return for a

calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year.

4. Except as provided in subsection 5 of this section, every person purchasing tangible personal property, the storage, use or consumption of which is subject to the tax levied by sections 144.600 to 144.748, who has not paid the tax due to a vendor registered in accordance with the provisions of section 144.650, shall file with the director of revenue a return for the preceding reporting period in the form and manner that the director of revenue prescribes, showing the total sales price of the tangible property purchased during the preceding reporting period and any other information that the director of revenue deems necessary for the proper administration of sections 144.600 to 144.748. The return shall be accompanied by a remittance of the amount of the tax required by sections 144.600 to 144.748 to be paid by the person. Returns shall be signed by the person liable for the tax or such person's duly authorized agent. For purposes of this subsection, the reporting period shall be determined by the director of revenue and may be a calendar quarter or a calendar year. Annual returns and payments required by the director pursuant to this subsection shall be due on or before April fifteenth of the year for the preceding calendar year and quarterly returns and payments shall be due on or before the last day of the month following each calendar period of three months. Upon the taxpayer's request, the director may allow the filing of such returns and payments on a monthly basis. If a taxpayer elects to file a monthly return and payment, such return and payment shall be due on or before the twentieth day of the succeeding month.

5. [Any person purchasing tangible personal property subject to the taxes imposed by sections 144.600 to 144.748 shall not be required to file a use tax return with the director of revenue if such purchases on which such taxes were not paid do not exceed in the aggregate two thousand dollars in any calendar year.

6. Nothing in subsection 5 of this section shall relieve a vendor of liability to collect the tax imposed pursuant to sections 144.600 to 144.748 on the total gross receipts of all sales of tangible personal property used, stored or consumed in this state and to remit all taxes collected to the director of revenue in accordance with the provisions of this section nor shall it relieve a purchaser from paying such taxes to a vendor registered in accordance with the provisions of section 144.650.] **Any out-of-state seller which is not legally required to register for use tax in this state but chooses to collect and remit use tax under sections 144.600 to 144.761 shall file a return for the calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year. In the event that any out-of-state seller which is not legally required to register for use tax in this state but chooses to collect and remit use tax under sections 144.600 to 144.761 has accumulated state and local use tax funds in an amount equal to one thousand dollars or more, such vendor shall file a return and remit the amount due for the month in which the accumulated state and local use tax funds equal or exceed one thousand dollars.**

6. The director of revenue may require any seller to file and remit use tax electronically.”; and

Further amend said bill, Section 144.817, Page 19, Line 18, by inserting after all of said section the following:

“144.1025. 1. The director shall participate in an online registration system that will allow sellers to register in this state and other member states.

2. By registering, the seller agrees to collect and remit sales and use taxes for all taxable sales into this state as well as the other member states, including member states joining after the seller's registration. Withdrawal or revocation of this state from the agreement shall not relieve a seller of

its responsibility to remit taxes previously or subsequently collected on behalf of this state.

3. If the seller has a requirement to register prior to registering under the agreement, such seller shall obtain a retail sales license under section 144.083 and register under section 144.650.

4. Registration with the central registration system and the collection of sales and use taxes in this state shall not be used as a factor in determining whether the seller has nexus with this state for any tax at any time.

144.1028. 1. The director shall provide and maintain a database that describes boundary changes for all taxing jurisdictions and the effective dates of such changes for sales and use tax purposes.

2. The director shall provide and maintain a database of all sales and use tax rates for all taxing jurisdictions. For the identification of counties and cities, codes corresponding to the rates shall be provided according to Federal Information Processing Standards (FIPS) as developed by the National Institute of Standards and Technology. For the identification of all other jurisdictions, codes corresponding to the rates shall be in a format determined by the director.

3. The director shall provide and maintain a database that assigns each five- and nine-digit zip code to the proper rates and taxing jurisdictions. The lowest combined tax rate imposed in the zip code area shall apply if the area includes more than one tax rate in any level of taxing jurisdiction. If a nine-digit zip code designation is not available for a street address, or if a seller or a certified service provider (CSP) is unable to determine the nine-digit zip code designation applicable to a purchase after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five-digit zip code area. For purposes of this section, there shall be a rebuttable presumption that a seller or CSP has exercised due diligence if the seller has attempted to determine the nine-digit zip code designation by utilizing software approved by the secretary that makes this designation from the street address and the five-digit zip code applicable to a purchase.

4. The director may provide address-based boundary database records for assigning taxing jurisdictions and associated rates which shall be in addition to the requirements of subsection 3 of this section. The database records shall be in the same approved format as the database records required under subsection 3 of this section and shall meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the director develops address-based assignment database records pursuant to the agreement, sellers that register under the agreement shall be required to use such database. A seller or CSP shall use such database records in place of the five- and nine-digit zip code database records provided for in subsection 3 of this section. If a seller or CSP is unable to determine the applicable rate and jurisdiction using an address-based database record after exercising due diligence, the seller or CSP may apply the nine-digit zip code designation applicable to a purchase. If a nine-digit zip code designation is not available for a street address or if a seller or CSP is unable to determine the nine-digit zip code designation applicable to a purchase after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five-digit zip code area. For the purposes of this section, there shall be a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the director makes the assignment from the address and zip code information applicable to the purchase. If the director has met the requirements of subsection 3 of this section, the director may also elect to certify vendor provided address-based databases for assigning tax rates and jurisdictions. The databases shall be

in the same approved format as the database records pursuant to this section and meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C.A. Section 119(a). If the director certifies a vendor address-based database, a seller or CSP may use such database in place of the database provided for in this subsection.

5. The electronic databases provided for in subsections 1, 2, 3, and 4 of this section shall be in downloadable format as determined by the director. The databases may be directly provided by the director or provided by a vendor as designated by the director. A database provided by a vendor as designated by the director shall be applicable and subject to the provisions of section 144.1031 and this section. The databases shall be provided at no cost to the user of the database. The provisions of subsections 3 and 4 of this section shall not apply when the purchased product is received by the purchaser at the business location of the seller.

6. No seller or CSP shall be liable for reliance upon erroneous data provided by the director on tax rates, boundaries, or taxing jurisdiction assignments.

144.1031. 1. The director shall complete a taxability matrix. The state's entries in the matrix shall be provided and maintained by the director in a database that is in a downloadable format.

2. The director shall provide reasonable notice of changes in the taxability of the products or services listed in the taxability matrix.

3. A seller or certified service provider (CSP) shall be relieved from liability to this state or any local taxing jurisdiction for having charged and collected the incorrect amount of state or local sales or use tax resulting from such seller's or CSP's reliance upon erroneous data provided by the director in the taxability matrix.

144.1040. 1. Notwithstanding provisions of section 144.1037 to the contrary, the following provisions shall apply to sales of advertising and promotional direct mail:

(1) A purchaser of advertising and promotional direct mail may provide the seller with either:

(a) A direct pay permit;

(b) An agreement certificate of exemption claiming direct mail, or other written statement approved, authorized, or accepted by the state; or

(c) Information showing the jurisdictions to which the advertising and promotional direct mail is to be delivered to recipients;

(2) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a) or (b) of subdivision (1) of this subsection, the seller, in the absence of bad faith, shall be relieved of all obligations to collect, pay, or remit any tax on any transaction involving advertising and promotional direct mail to which such permit, certificate, or statement applies. The purchaser shall source the sale to the jurisdictions to which the advertising and promotional direct mail is to be delivered to the recipients and shall report and pay any applicable tax due;

(3) If the purchaser provides the seller information showing the jurisdictions to which the advertising and promotional direct mail is to be delivered to recipients, the seller shall source the sale to the jurisdictions to which the advertising and promotional direct mail is to be delivered and shall collect and remit the applicable tax. In the absence of bad faith, a seller shall be relieved of any further obligation to collect any additional tax on the sale of advertising and promotional direct mail

where the seller has sourced the sale according to the delivery information provided by the purchaser;

(4) If a purchaser does not provide the seller with any of the items listed in paragraphs (a), (b), or (c) of subdivision (1) of this subsection, the sale shall be sourced according to subdivision (5) of subsection 1 of section 144.1037.

2. Provisions of section 144.1037 to the contrary notwithstanding, the following provisions shall apply to sales of other direct mail:

(1) Sales of other direct mail shall be sourced in accordance with subdivision (3) of subsection 1 of section 144.1037;

(2) A purchaser of other direct mail may provide the seller with either:

(a) A direct pay permit; or

(b) An agreement certificate of exemption claiming direct mail or other written statement approved, authorized, or accepted by the state;

(3) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a) or (b) of subdivision (2) of subsection 2 of this section, the seller, in the absence of bad faith, shall be relieved of all obligations to collect, pay, or remit any tax on any transaction involving other direct mail to which the permit, certificate, or statement apply. Notwithstanding subdivision (1) of this subsection, the sale shall be sourced to the jurisdictions to which the other direct mail is to be delivered to the recipients and the purchaser shall report and pay applicable tax due.

3. (1) The provisions of this section shall apply to any transaction characterized under the laws of this state as the sale of services only if such service is an integral part of the production and distribution of printed material that meets the definition of direct mail. This section shall not apply to any transaction that includes the development of billing information or the provision of any data processing service that is more than incidental regardless of whether advertising and promotional direct mail is included in the same mailing.

(2) If a transaction is a bundled transaction that includes advertising and promotion direct mail, this section shall apply, only if the primary purpose of the transaction is the sale of products or services that meet the definition of advertising and promotional direct mail.

(3) Nothing in this section shall be construed to limit any purchaser's:

(a) Obligation for sales or use tax to any state to which the direct mail is delivered;

(b) Right under local, state, federal, or constitutional law, to a credit for sales or use taxes legally due and paid to other jurisdictions; or

(c) Right to a refund of sales or use taxes overpaid to any jurisdiction.

(4) This section shall apply for purposes of uniformly sourcing direct mail transactions and shall not impose requirements on states regarding the taxation of products that meet the definition of direct mail or to the application of sales for resale or other exemptions.

4. Notwithstanding subsections 1, 2, and 3 of this section, all direct mail delivered or distributed from a location within the state and delivered or distributed to a location within the state shall be sourced as follows:

(1) If the purchaser provides the seller with a direct pay permit or an agreement certificate of exemption claiming direct mail, or other written statement approved, authorized, or accepted by the director, the seller, in the absence of bad faith, shall be relieved of all obligations to collect, pay, or remit the applicable tax on any transaction involving direct mail. The purchaser shall report and pay any applicable tax due. An agreement certificate of exemption claiming direct mail shall remain in effect for all future sales of direct mail by the seller to the purchaser until it is revoked in writing;

(2) Except as provided in subdivision (1) of subsection 3 of this section, the seller shall collect the tax according subdivision (5) of subsection 1 of section 144.1037. To the extent the seller knows that a portion of the sale of direct mail will be delivered or distributed to a location in another state, the seller shall collect the tax on that portion according to subsections 1, 2, and 3 of this section;

(3) Notwithstanding subdivision (2) of subsection 3 of this section, a seller may elect to use the provisions of subsections 1, 2, and 3 of this section to source all sales of advertising and promotional direct mail;

(4) Nothing in this subsection shall be construed to limit a purchaser's obligation for sales or use tax to any state to which the direct mail is delivered, except that a purchaser whose direct mail is sourced under the provisions of subsection 3 of this section shall owe no additional sales or use tax to that state based on where the purchaser uses or delivers the direct mail in the state.

144.1043. 1. The sale of telecommunication service sold on a call-by-call basis shall be sourced to each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.

2. A sale of telecommunications services sold on a basis other than a call-by-call basis shall be sourced to the customer's place of primary use.

3. Provisions of subsections 1 and 2 of this section to the contrary notwithstanding, the sale of the following telecommunication services shall be sourced to each level of taxing jurisdiction as follows:

(1) A sale of mobile telecommunications services other than air-to-ground radiotelephone service and prepaid calling service shall be sourced to the customer's place of primary use as required by the Mobile Telecommunications Sourcing Act;

(2) A sale of post-paid calling service shall be sourced to the origination point of the telecommunications signal as first identified by either the seller's telecommunications system or information received by the seller from its service provider, where the system used to transport such signals is not that of the seller;

(3) A sale of prepaid calling service or a sale of a prepaid wireless calling service shall be sourced in accordance with section 144.1037. Provided however, in the case of a sale of prepaid wireless calling service, the rule provided under subdivision (5) of section 1 of section 144.1037 shall include as an option the location associated with the mobile telephone number;

(4) A sale of a private communication service shall be sourced as follows:

(a) Service for a separate charge related to a customer channel termination point shall be sourced to each level of jurisdiction in which such customer channel termination point is located;

(b) Service where all customer termination points are located entirely within one jurisdiction or

levels of jurisdiction shall be sourced in such jurisdiction in which the customer channel termination points are located;

(c) Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged shall be sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located;

(d) Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed shall be sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.

4. The sale of Internet access service shall be sourced to the customer's place of primary use.

5. The sale of an ancillary service shall be sourced to the customer's place of primary use.

144.1046. 1. In addition to all other provisions of law provided for exemptions, when an exemption is claimed by a purchaser:

(1) The seller shall obtain identifying information of the purchaser and the reason for claiming a tax exemption at the time of the purchase;

(2) A purchaser shall not be required to provide a signature to claim an exemption from tax unless a paper exemption certificate is used;

(3) The seller shall use the standard form for claiming an exemption electronically prescribed by the director of the department of revenue and acceptable to the streamlined sales and use tax governing board;

(4) The seller shall obtain the same information for proof of a claimed exemption regardless of the medium in which the transaction occurred;

(5) The seller shall maintain proper records of exempt transactions and provide such records to the director of the department of revenue or the director's designee upon request;

(6) In the case of drop shipment sales, a third party vendor, such as a drop shipper, may claim a resale exemption based on an exemption certificate provided by its customer or any other acceptable information available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer is registered to collect and remit sales and use tax in the state where the sale is sourced.

2. Sellers that comply with the requirements of this section shall be relieved from collecting and remitting tax otherwise applicable if it is determined that the purchaser improperly claimed an exemption and such purchaser shall be liable for the nonpayment of tax. Relief from liability provided under this section shall not apply to a seller who fraudulently fails to collect tax; to a seller who solicits purchasers to participate in the unlawful claim of an exemption; to a seller who accepts an exemption certificate when the purchaser claims an entity-based exemption when the subject of the transaction sought to be covered by the exemption certificate is actually received by the purchaser at a location operated by the seller and the state in which that location resides provides an exemption certificate that clearly and affirmatively indicates that the claimed exemption is not available in such state; or to a seller who accepts an exemption certificate claiming multiple points of use for tangible personal property other than computer software for which an exemption claiming multiple points of

use.

(1) A seller shall be relieved from collecting and remitting tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the agreement within ninety days subsequent to the date of sale.

(2) If a seller fails to obtain an exemption certificate or all relevant data elements as provided in this section, the seller may, within one hundred twenty days subsequent to a request for substantiation by the director of the department of revenue or the director's designee, either prove that the transaction was not subject to tax by other means or obtain a fully completed exemption certificate from the purchaser, taken in good faith.

3. Nothing in this section shall affect the ability of the director of the department of revenue or the director's designee to require purchasers to update exemption certificate information or to reapply with the state to claim certain exemptions.

4. Notwithstanding provisions of subsection 2 of this section to the contrary, the director shall relieve a seller of the tax otherwise applicable if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship. The director shall not request from the seller renewal of blanket certificates or updates of exemption certificate information or data elements when there is a recurring business relationship between the buyer and seller. For purposes of this section, a recurring business relationship exists when a period of no more than twelve months elapses between sales transactions.

144.1049. 1. Retailers shall make returns to the director at the times prescribed by this section upon forms prescribed and furnished by the director stating:

(1) The name and address of the retailer;

(2) The total amount of gross sales of all tangible personal property and taxable services rendered by the retailer during the period for which the return is made;

(3) The total amount received during the period for which the return is made on charge and time sales of tangible personal property made and taxable services rendered prior to the period for which the return is made;

(4) Deductions allowed by law from such total amount of gross sales and from total amount received during the period for which the return is made on such charge and time sales;

(5) Receipts during the period for which the return is made from the total amount of sales of tangible personal property and taxable services rendered during such period in the course of such business, after deductions allowed by law have been made;

(6) Receipts during the period for which the return is made from charge and time sales of tangible personal property made and taxable services rendered prior to such period in the course of such business, after deductions allowed by law have been made;

(7) Gross receipts during the period for which the return is made from sales of tangible personal property and taxable services rendered in the course of such business upon the basis of which the tax is imposed.

The return shall include such other pertinent information as the director may require. In making

such return, the retailer shall determine the market value of any consideration, other than money, received in connection with the sale of any tangible personal property in the course of the business and shall include such value in the return. Such value shall be subject to review and revision by the director as hereinafter provided. Refunds made by a retailer during the period for which the return is made on account of tangible personal property returned to the retailer shall be allowed as a deduction under subdivision (4) of this subsection in case the retailer has included the receipts from such sale in a return made by such retailer and paid taxes on such sale. The retailer shall, at the time of making such return, pay to the director the amount of tax owed, except as otherwise provided in this section. The director may extend the time for making returns and paying the tax required by this section for any period not to exceed sixty days under such rules and regulations as the director of revenue may prescribe. The director of the department of revenue shall promulgate rules establishing a filing schedule for returns made by retailers based upon the liabilities of such retailers. Determinations of amounts of liability in a calendar year for purposes of determining filing requirements shall be made by the director upon the basis of amounts of liability by those retailers during the preceding calendar year or by estimates in cases of retailers having no previous sales tax histories. The director may modify the filing schedule for any retailer when it is apparent that the original determination was inaccurate.

2. All model 1, model 2, and model 3 sellers shall file returns electronically. Any model 1, model 2, or model 3 seller shall submit its sales and use tax returns in a simplified format approved by the director at such times as may be prescribed by the director.

144.1052. 1. The director shall promulgate rules and regulations for remittance of returns. Such rules shall:

(1) Allow for electronic payments by all remitters by both ACH credit and ACH debit;

(2) Provide an alternative method for making “same day” payments if an electronic funds transfer fails;

(3) Provide that if a due date falls on a legal banking holiday in the state, the taxes shall be due on the next succeeding business day; and

(4) Require that any data that accompanies a remittance be formatted using uniform tax type and payment type codes approved by the streamlines sales and use tax governing board.

2. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2012, shall be invalid and void.

144.1055. 1. A seller shall be allowed a deduction from taxable sales for bad debts attributable to taxable sales of such seller that have become uncollectable. Any deduction taken that is attributed to bad debts shall not include interest.

2. The amount of the bad debt deduction shall be calculated pursuant to 26 U.S.C. Section 166(b), except that such amount shall be adjusted to exclude financing charges or interest, sales, or use taxes

charged on the purchase price, uncollectable amounts on property that remain in the possession of the seller until the full purchase price is paid, and expenses incurred in attempting to collect any debt or repossessed property.

3. Bad debts may be deducted on the return for the period during which the bad debt is written off as uncollectable in the seller's books and records and is eligible to be deducted for federal income tax purposes. For purposes of this subsection, a seller who is not required to file federal income tax returns may deduct a bad debt on a return filed for the period in which the bad debt is written off as uncollectable in the seller's books and records and would be eligible for a bad debt deduction for federal income tax purposes if the seller was required to file a federal income tax return.

4. If a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected shall be paid and reported on the return filed for the period in which the collection is made.

5. When the amount of bad debt exceeds the amount of taxable sales for the period during which the bad debt is written off, a refund claim may be filed by the seller within the applicable statute of limitations for refund claim; however, the statute of limitations shall be measured from the due date of the return on which the bad debt could first be claimed.

6. Where filing responsibilities have been assumed by a certified service provider, such service provider may claim, on behalf of the seller, any bad debt allowance provided by this section. The certified service provider shall credit or refund the full amount of any bad debt allowance or refund received to the seller.

7. For the purposes of reporting a payment received on a previously claimed bad debt, any payments made on a debt or account shall first be applied proportionally to the taxable price of the property or service and the sales tax thereon, and secondly to interest, service charges, and any other charges.

8. In situations where the books and records of the seller, or certified service provider on behalf of the seller, claiming the bad debt allowance support an allocation of the bad debts among the member states, such an allocation shall be permitted.

144.1058. 1. When the seller is computing the amount of tax owed by the purchaser and remitted to the state:

(1) Tax computation shall be carried to the third decimal place; and

(2) The tax shall be rounded to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

2. Sellers may elect to compute the tax due on a transaction on an item or an invoice basis. The rounding rule may be applied to the aggregated state and local taxes.

144.1061. The effective date of state or local sales or use tax rate changes for services covering a period starting before and ending after the statutory effective date shall be as follows:

(1) For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date; and

(2) For a rate decrease, the new rate shall apply to bills rendered on or after the effective date.

144.1064. 1. In the case of a bundled transaction that includes any of the following: telecommunication service, ancillary service, internet access, or audio or video programming service:

(1) If the price is attributable to products that are taxable and products that are nontaxable, the portion of the price attributable to the nontaxable products may be subject to tax unless the provider can identify by reasonable and verifiable standards such portion from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, nontax purposes;

(2) If the price is attributable to products that are subject to tax at different tax rates, the total price shall be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, nontax purposes;

(3) The provisions of this section shall apply unless otherwise provided by federal law.

2. In the case of a transaction that includes an optional computer software maintenance contract for prewritten computer software and the state otherwise has not specifically imposed tax on the retail sale of computer software maintenance contracts, the following provisions apply:

(1) If an optional computer software maintenance contract only obligates the vendor to provide upgrades and updates, it shall be characterized as a sale of prewritten computer software;

(2) If an optional computer software maintenance contract only obligates the vendor to provide support services, it shall be characterized as a sale of services and not a sale of tangible personal property;

(3) If an optional computer software maintenance contract is a bundled transaction in which both taxable and nontaxable or exempt products that are not separately itemized on the invoice or similar billing document, the contract shall be characterized as all taxable.

144.1070. 1. Amnesty shall be granted for uncollected or unpaid sales or use tax to a seller who registers to pay or to collect and remit applicable sales or use tax on sales made to purchasers in this state in accordance with the terms of the agreement, provided that the seller was not so registered in this state in the twelve-month period preceding the effective date of this state's participation in the agreement.

(1) Amnesty shall preclude assessment for uncollected or unpaid sales or use tax together with penalty or interest for sales made during the period the seller was not registered in this state, provided registration occurs within twelve months of the effective date of this state's participation in the agreement.

(2) Amnesty shall be provided if this state joins the agreement after the seller has registered.

2. Amnesty shall not be available to a seller with respect to any matter or matters for which the seller received notice of the commencement of an audit and which audit is not yet finally resolved including any related administrative and judicial processes. The amnesty shall not be available for sales or use taxes already paid or remitted to this state or to taxes collected by the seller.

3. Amnesty provided under this section shall be fully effective, absent the seller's fraud or intentional misrepresentation of a material fact, as long as the seller continues registration and

payment or collection and remittance of applicable sales or use taxes for a period of at least thirty-six months. The statute of limitations applicable to asserting a tax liability during this thirty-six month period shall be tolled.

4. Amnesty provided under this section shall be applicable only to sales or use taxes due from a seller in its capacity as a seller and not to sales or use taxes due from a seller in its capacity as a purchaser.

5. The provisions of this section shall become effective as of the date that the state joins and becomes a member state of the agreement.

144.1073. 1. If the director of the department of revenue enters into the streamlined sales and use tax agreement under section 32.070, the director shall provide a monetary allowance from the taxes collected to each of the following:

(1) A certified service provider, in accordance with the agreement and under the terms of the contract signed with the provider, provided that such allowance shall not exceed two percent of the amount collected;

(2) Any vendor registered under the agreement that selects a certified automated system to perform part of its sales or use tax functions;

(3) Any vendor registered under the agreement that uses a proprietary system to calculate taxes due and has entered into a performance agreement with states that are members to the streamlined sales and use tax agreement.

2. The monetary allowance provided for vendors in subdivisions (2) or (3) of this section shall be in an amount equal to two percent of the taxes collected.

3. Any vendor receiving an allowance under this section shall not be entitled simultaneously to deduct the amount provided for in section 144.140.

144.1076. For the purposes of representing the state as a member of the agreement and, if necessary, amending the agreement, the state shall be represented by three delegates, one of whom shall be appointed by the governor, one shall be a member of the general assembly appointed by mutual agreement of the president pro tem of the senate and the speaker of the house of representatives, with the director of the department of revenue or the director's designee as the third delegate. The delegates shall recommend to the committees responsible for reviewing tax issues in the senate and the house of representatives each year any amendment of state statutes required to be substantially in compliance with the agreement. Such delegates shall make a written report by the fifteenth day of January each year regarding the status of the agreement.

221.407. 1. The commission of any regional jail district may impose, by order, a sales tax in the amount of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent, or one-half of one percent on all retail sales made in such region which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, for the purpose of providing jail services and court facilities and equipment for such region. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no order imposing a sales tax pursuant to this section shall be effective unless the commission submits to the voters of the district, on any election date authorized in chapter 115, RSMo, a proposal to authorize the commission to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the regional jail district of (counties' names) impose a region-wide sales tax of (insert amount) for the purpose of providing jail services and court facilities and equipment for the region?

YES

NO

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No". If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of the proposal, then the order and any amendment to such order shall be in effect on the first day of the second **calendar** quarter [immediately following the election approving the proposal] **after the director of revenue receives notification of adoption of the local sales tax**. If the proposal receives less than the required majority, the commission shall have no power to impose the sales tax authorized pursuant to this section unless and until the commission shall again have submitted another proposal to authorize the commission to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district voting on such proposal; however, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last submission of a proposal pursuant to this section.

3. All revenue received by a district from the tax authorized pursuant to this section shall be deposited in a special trust fund and shall be used solely for providing jail services and court facilities and equipment for such district for so long as the tax shall remain in effect.

4. Once the tax authorized by this section is abolished or terminated by any means, all funds remaining in the special trust fund shall be used solely for providing jail services and court facilities and equipment for the district. Any funds in such special trust fund which are not needed for current expenditures may be invested by the commission in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue pursuant to this section on behalf of any district, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be known as the "Regional Jail District Sales Tax Trust Fund". The moneys in the regional jail district sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of each member county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district which levied the tax. Such funds shall be deposited with the treasurer of each such district, and all expenditures of funds arising from the regional jail district sales tax trust fund shall be paid pursuant to an appropriation adopted by the commission and shall be approved by the commission. Expenditures may be made from the fund for any function authorized in the order adopted by the commission submitting the regional jail district tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such districts. If any district abolishes the tax, the commission shall notify the director of revenue of the action at least ninety days prior to the effective date

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

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

8. The provisions of this section shall expire September 30, 2015.

238.235. 1. (1) Any transportation development district may by resolution impose a transportation development district sales tax on all retail sales made in such transportation development district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors [nor to all sales of electricity or electrical current, water and gas, natural or artificial, nor to sales of service to telephone subscribers, either local or long distance]. Such transportation development district sales tax may be imposed for any transportation development purpose designated by the transportation development district in its ballot of submission to its qualified voters, except that no resolution enacted pursuant to the authority granted by this section shall be effective unless:

(a) The board of directors of the transportation development district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of this section; or

(b) The voters approved the question certified by the petition filed pursuant to subsection 5 of section 238.207.

(2) If the transportation district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of paragraph (a) of subdivision (1) of this subsection, the ballot of submission shall contain, but need not be limited to, the following language:

Shall the transportation development district of (transportation development district’s name) impose a transportation development district-wide sales tax at the rate of (insert amount) for a period of (insert number) years from the date on which such tax is first imposed for the purpose of (insert transportation development purpose)?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the resolution and any amendments thereto shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors of the transportation development district shall have no power to impose the sales tax authorized by this section unless and until

the board of directors of the transportation development district shall again have submitted another proposal to authorize it to impose the sales tax pursuant to the provisions of this section and such proposal is approved by a majority of the qualified voters voting thereon.

(3) [The sales tax authorized by this section shall become effective on the first day of the second calendar quarter after the department of revenue receives notification of the tax.

(4) In each transportation development district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the transportation development district pursuant to this section to the retailer's sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

(5) In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the transportation development district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285, RSMo.

(6) All revenue received by a transportation development district from the tax authorized by this section which has been designated for a certain transportation development purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. Upon the expiration of the period of years approved by the qualified voters pursuant to subdivision (2) of this subsection or if the tax authorized by this section is repealed pursuant to subsection 6 of this section, all funds remaining in the special trust fund shall continue to be used solely for such designated transportation development purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other transportation development district funds.

[(7)] (4) The sales tax may be imposed in increments of one-eighth of one percent, up to a maximum of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the transportation development district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors [nor to public utilities]. Any transportation development district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.

2. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and the tax shall be reported and returned to and collected by the transportation development district.

3. [On and after the effective date of any tax imposed pursuant to this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect, in addition to all other sales taxes imposed by law, the additional tax authorized pursuant to this section. The tax imposed pursuant to this section and the taxes imposed

pursuant to all other laws of the state of Missouri shall be collected together and reported upon such forms and pursuant to such administrative rules and regulations as may be prescribed by the director of revenue.

4. (1) All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the transportation development district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for violation of those sections are hereby made applicable to violations of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales except retail sales of motor vehicles shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.

5.] All sales taxes received by the transportation development district shall be deposited by the director of revenue in a special fund to be expended for the purposes authorized in this section. The director of revenue shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each transportation development district and the general public.

[6.] **4.** (1) No transportation development district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects.

(2) Whenever the board of directors of any transportation development district in which a transportation development sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the qualified voters calling for an election to repeal such transportation development sales

tax, the board of directors shall, if such repeal will not impair the district’s ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects, submit to the qualified voters of such transportation development district a proposal to repeal the transportation development sales tax imposed pursuant to the provisions of this section. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, is repealed. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal to repeal the transportation development sales tax, then the ordinance or resolution imposing the transportation development sales tax, along with any amendments thereto, shall remain in effect.

5. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

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

238.410. 1. Any county transit authority established pursuant to section 238.400 may impose a sales tax of up to one percent on all retail sales made in such county which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax imposed under the provisions of this section shall be effective unless the governing body of the county, on behalf of the transit authority, submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the transit authority to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the Transit Authority impose a countywide sales tax of (insert amount) in order to provide revenues for the operation of transportation facilities operated by the transit authority?

YES

NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall become effective on the first day of the second calendar quarter following notification to the department of revenue of adoption of the tax. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the transit authority shall have no power to impose the sales tax authorized by this section unless and until another proposal to authorize the transit authority to impose the sales tax authorized by this section has been submitted and such proposal is approved by a majority of the qualified voters voting thereon.

3. All revenue received by the transit authority from the tax authorized under the provisions of this

section shall be deposited in a special trust fund and shall be used solely by the transit authority for construction, purchase, lease, maintenance and operation of transportation facilities located within the county for so long as the tax shall remain in effect. Any funds in such special trust fund which are not needed for current expenditures may be invested by the transit authority in accordance with applicable laws relating to the investment of county funds.

4. No transit authority imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment is submitted to and approved by the voters of the county in the same manner as provided in subsection 1 of this section for approval of such tax. Whenever the governing body of any county in which a sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the registered voters of such county voting in the last gubernatorial election, calling for an election to repeal such sales tax, the governing body shall submit to the voters of such county a proposal to repeal the sales tax imposed under the provisions of this section. If a majority of the votes cast on the proposal by the registered voters voting thereon are in favor of the proposal to repeal the sales tax, then such sales tax is repealed. If a majority of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal the sales tax, then such sales tax shall remain in effect.

5. The sales tax imposed under the provisions of this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate approved pursuant to this section. The amount reported and returned to the director of revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by sections 144.010 to 144.525, RSMo, and the tax imposed by this section, plus any amounts imposed under other provisions of law.

6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the applicable provisions of section 144.285, RSMo, shall apply to all taxable transactions.

7. All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by this section. All discounts allowed the retailer under the provisions of the state sales tax law for the collection

of and for payment of taxes under chapter 144, RSMo, are hereby allowed and made applicable to any taxes collected under the provisions of this section. The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for a violation of those sections are hereby made applicable to violations of this section.

8. [For the purposes of a sales tax imposed pursuant to this section, all retail sales shall be deemed to be consummated at the place of business of the retailer, except for tangible personal property sold which is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination and except for the sale of motor vehicles, trailers, boats and outboard motors, which is provided for in subsection 12 of this section. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which he works.

9.] All sales taxes collected by the director of revenue under this section on behalf of any transit authority, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in this section, shall be deposited in the state treasury in a special trust fund, which is hereby created, to be known as the "County Transit Authority Sales Tax Trust Fund". The moneys in the county transit authority sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each transit authority imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the transit authority which levied the tax.

[10.] **9.** The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any transit authority for erroneous payments and overpayments made, and may authorize the state treasurer to redeem dishonored checks and drafts deposited to the credit of such transit authorities. If any transit authority abolishes the tax, the transit authority shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such transit authority, the director of revenue shall authorize the state treasurer to remit the balance in the account to the transit authority and close the account of that transit authority. The director of revenue shall notify each transit authority of each instance of any amount refunded or any check redeemed from receipts due the transit authority. The director of revenue shall annually report on his management of the trust fund and administration of the sales taxes authorized by this section. He shall provide each transit authority imposing the tax authorized by this section with a detailed accounting of the source of all funds received by him for the transit authority.

[11.] **10.** The director of revenue and any of his deputies, assistants and employees who shall have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of this section shall enter a surety bond or bonds payable to any and all transit authorities in whose behalf such funds have been collected under this section in the amount of one hundred thousand

dollars; but the director of revenue may enter into a blanket bond or bonds covering himself and all such deputies, assistants and employees. The cost of the premium or premiums for the surety bond or bonds shall be paid by the director of revenue from the share of the collection retained by the director of revenue for the benefit of the state.

[12.] **11.** Sales taxes imposed pursuant to this section and use taxes on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a county where a sales tax is imposed under this section. The amounts so collected, less the one percent collection cost, shall be deposited in the county transit authority sales tax trust fund. The purchase or sale of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the address of the applicant. As used in this subsection, the term “boat” shall only include motorboats and vessels as the terms “motorboat” and “vessel” are defined in section 306.010, RSMo.

[13.] **12.** In any county where the transit authority sales tax has been imposed, if any person is delinquent in the payment of the amount required to be paid by him under this section or in the event a determination has been made against him for taxes and penalty under this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525, RSMo. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under this section, the director of revenue shall notify the transit authority to which delinquent taxes are due under this section by United States registered mail or certified mail at least ten days before turning the case over to the attorney general. The transit authority, acting through its attorney, may join in such suit as a party plaintiff to seek a judgment for the delinquent taxes and penalty due such transit authority. In the event any person fails or refuses to pay the amount of any sales tax due under this section, the director of revenue shall promptly notify the transit authority to which the tax would be due so that appropriate action may be taken by the transit authority.

[14.] **13.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by this section, the director of revenue shall permit the transit authority to join in any sale of property to pay the delinquent taxes and penalties due the state and to the transit authority under this section. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such transit authority under this section.

[15.] The transit authority created under the provisions of sections 238.400 to 238.412 shall notify any and all affected businesses of the change in tax rate caused by the imposition of the tax authorized by sections 238.400 to 238.412.

16.] **14.** In the event that any transit authority in any county with a charter form of government and with more than two hundred fifty thousand but fewer than three hundred fifty thousand inhabitants submits a proposal in any election to increase the sales tax under this section, and such proposal is approved by the voters, the county shall be reimbursed for the costs of submitting such proposal from the funds derived from the tax levied under this section.

15. Except as provided in sections 238.400 to 238.412, all provisions of sections 32.085 and 32.087 shall apply to the tax imposed under sections 238.410 to 238.412.

644.032. 1. The governing body of any municipality or county may impose, by ordinance or order, a sales tax in an amount not to exceed one-half of one percent on all retail sales made in such municipality or county which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo. The tax authorized by this section and section 644.033 shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax under the provisions of this section and section 644.033 shall be effective unless the governing body of the municipality or county submits to the voters of the municipality or county, at a municipal, county or state general, primary or special election, a proposal to authorize the governing body of the municipality or county to impose a tax[, provided, that the tax authorized by this section shall not be imposed on the sales of food, as defined in section 144.014, RSMo, when imposed by any county with a charter form of government and with more than one million inhabitants].

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the municipality (county) of impose a sales tax of (insert amount) for the purpose of providing funding for (insert either storm water control, or local parks, or storm water control and local parks) for the municipality (county)?

YES

NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second quarter after the director of revenue receives notice of adoption of the tax. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the municipality or county shall not impose the sales tax authorized in this section and section 644.033 until the governing body of the municipality or county resubmits another proposal to authorize the governing body of the municipality or county to impose the sales tax authorized by this section and section 644.033 and such proposal is approved by a majority of the qualified voters voting thereon; however, in no event shall a proposal pursuant to this section and section 644.033 be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section and section 644.033.

3. All revenue received by a municipality or county from the tax authorized under the provisions of this section and section 644.033 shall be deposited in a special trust fund and shall be used to provide funding for storm water control or for local parks, or both, within such municipality or county, provided that such revenue may be used for local parks outside such municipality or county if the municipality or county is engaged in a cooperative agreement pursuant to section 70.220, RSMo.

4. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal or county funds.”; and

Further amend said bill, Section 2, Page 19, Line 8, by inserting after all of said section the following:

“[67.1971. All entities remitting the sales tax authorized pursuant to section 67.1959 shall have their liability reduced by an amount equal to twenty-five percent of any taxes collected and remitted pursuant to sections 94.802 to 94.805, RSMo.]

[144.1000. Sections 144.1000 to 144.1015 shall be known as and referred to as the “Simplified Sales and Use Tax Administration Act”.]

[144.1003. As used in sections 144.1000 to 144.1015, the following terms shall mean:

- (1) “Agreement”, the streamlined sales and use tax agreement;
- (2) “Certified automated system”, software certified jointly by the states that are signatories to the agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state and maintain a record of the transaction;
- (3) “Certified service provider”, an agent certified jointly by the states that are signatories to the agreement to perform all of the seller’s sales tax functions;
- (4) “Person”, an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation or any other legal entity;
- (5) “Sales tax”, any sales tax levied pursuant to this chapter, section 32.085, RSMo, or any other sales tax authorized by statute and levied by this state or its political subdivisions;
- (6) “Seller”, any person making sales, leases or rentals of personal property or services;
- (7) “State”, any state of the United States and the District of Columbia;
- (8) “Use tax”, the use tax levied pursuant to this chapter.]

[144.1006. For the purposes of reviewing and, if necessary, amending the agreement embodying the simplification recommendations contained in section 144.1015, the state may enter into multistate discussions. For purposes of such discussions, the state shall be represented by seven delegates, one of whom shall be appointed by the governor, two members appointed by the speaker of the house of representatives, one member appointed by the minority leader of the house of representatives, two members appointed by the president pro tempore of the senate and one member appointed by the minority leader of the senate. The delegates need not be members of the general assembly and at least one of the delegates appointed by the speaker of the house of representatives and one member appointed by the president pro tempore of the senate shall be from the private sector and represent the interests of Missouri businesses. The delegates shall recommend to the committees responsible for reviewing tax issues in the senate and the house of representatives each year any amendment of state statutes required to be substantially in compliance with the agreement. Such delegates shall make a written report by the fifteenth day of January each year regarding the status of the multistate discussions and upon final adoption of the terms of the sales and use tax agreement by the multistate body.]

[144.1009. No provision of the agreement authorized by sections 144.1000 to 144.1015 in whole or in part invalidates or amends any provision of the law of this state. Implementation of any condition of this agreement in this state, whether adopted before, at, or after membership of this state in the agreement,

must be by action of the general assembly. Such report shall be delivered to the governor, the secretary of state, the president pro tempore of the senate and the speaker of the house of representatives and shall simultaneously be made publicly available by the secretary of state to any person requesting a copy.]

[144.1012. Unless five of the seven delegates agree, the delegates shall not enter into or vote for any streamlined sales and use tax agreement that:

- (1) Requires adoption of a definition of any term that would cause any item or transaction that is now excluded or exempted from sales or use tax to become subject to sales or use tax;
- (2) Requires the state of Missouri to fully exempt or fully apply sales taxes to the sale of food or any other item;
- (3) Restricts the ability of local governments under statutes in effect on August 28, 2002, to enact one or more local taxes on one or more items without application of the tax to all sales within the taxing jurisdiction, however, restriction of any such taxes allowed by statutes effective after August 28, 2002, may be supported;
- (4) Provides for adoption of any uniform rate structure that would result in a tax increase for any Missouri taxpayer;
- (5) Affects the sourcing of sales tax transactions; or
- (6) Prohibits limitations or thresholds on the application of sales and use tax rates or prohibits any current sales or use tax exemption in the state of Missouri, including exemptions that are based on the value of the transaction or item.]

[144.1015. In addition to the requirements of section 144.1012, the delegates should consider the following features when deciding whether or not to enter into any streamlined sales and use tax agreement:

- (1) The agreement should address the limitation of the number of state rates over time;
- (2) The agreement should establish uniform standards for administration of exempt sales and the form used for filing sales and use tax returns and remittances;
- (3) The agreement should require the state to provide a central, electronic registration system that allows a seller to register to collect and remit sales and use taxes for all signatory states;
- (4) The agreement should provide that registration with the central registration system and the collection of sales and use taxes in the signatory states will not be used as a factor in determining whether the seller has nexus with a state for any tax;
- (5) The agreement should provide for reduction of the burdens of complying

with local sales and use taxes through the following so long as they do not conflict with the provisions of section 144.1012:

- (a) Restricting variances between the state and local tax bases;
- (b) Requiring states to administer any sales and use taxes levied by local jurisdictions within the state so that sellers collecting and remitting these taxes will not have to register or file returns with, remit funds to, or be subject to independent audits from local taxing jurisdictions;
- (c) Restricting the frequency of changes in the local sales and use tax rates and setting effective dates for the application of local jurisdictional boundary changes to local sales and use taxes; and
- (d) Providing notice of changes in local sales and use tax rates and of changes in the boundaries of local taxing jurisdictions;
- (6) The agreement should outline any monetary allowances that are to be provided by the states to sellers or certified service providers. The agreement must allow for a joint public and private sector study of the compliance cost on sellers and certified service providers to collect sales and use taxes for state and local governments under various levels of complexity to be completed by July 1, 2003;
- (7) The agreement should require each state to certify compliance with the terms of the agreement prior to joining and to maintain compliance, under the laws of the member state, with all provisions of the agreement while a member, only if the agreement and any amendment thereto complies with the provisions of section 144.1012;
- (8) The agreement should require each state to adopt a uniform policy for certified service providers that protects the privacy of consumers and maintains the confidentiality of tax information; and
- (9) The agreement should provide for the appointment of an advisory council of private sector representatives and an advisory council of nonmember state representatives to consult with in the administration of the agreement.]; and

Further amend said bill, Section B, Page 19, Line 1, by inserting immediately after the words, “Section B.” the following:

“Section A of this act shall become effective on January 1, 2012.

Section C. “; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Bill No. 981, Page 14, Section 144.030, Line 117, by deleting all of said line and inserting in lieu thereof the following: **“nonprescription drugs [to individuals with disabilities] as prescribed by a practitioner, or any medical equipment, supplies, or devices that are provided to a person on or by the order of a physician, or that are otherwise paid for by a third-**

party health insurer, Medicare, or Medicaid;”; and

Further amend said title, enacting clause and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Bill No. 981, Section 1, Page 19, Lines 1-8, by deleting all of said section and inserting in lieu thereof the following:

“Section 2. Notwithstanding any other provision of law, any tax imposed or collected by any municipality, any county, or any local taxing entity on or related to any transient accommodations, whether imposed as a hotel tax, occupancy tax or otherwise, shall apply solely to amounts actually received by the operator of a hotel, motel, tavern, inn, tourist cabin, tourist camp, or other place in which rooms are furnished to the public. Under no circumstances shall a travel agent or intermediary be deemed an operator of a hotel, motel, tavern, inn, tourist cabin, tourist camp, or other place in which rooms are furnished to the public unless such travel agent or intermediary actually operates such a facility. This section shall not apply if the purchaser of such rooms is an entity that is exempt from payment of the tax. This section is intended to clarify that taxes imposed as a hotel tax, occupancy tax, or otherwise shall apply solely to amounts received by operators, as enacted in the statutes authorizing those taxes.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Bill No. 981, Section 1, Page 19, Line 2 by inserting prior to the phrase: **“sales tax law”** on said Line the phrase: **“and state”**; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Bill No. 981, Section 144.030, Page 18, Line 271, by inserting after all of said section the following:

“144.527. 1. In addition to the exemptions granted under this chapter, there shall also be specifically exempted from state and local sales and use taxes defined, levied, or calculated under sections 32.085 and 32.087, sections 144.010 to 144.525, sections 144.600 to 144.761, and section 238.235 all sales of farm products sold at a farmers’ market within one hundred miles of the vendor’s farm where the farm products were grown or produced by any vendor with annual sales of farm products of twenty thousand dollars or less.

2. For purposes of this section “farm products” shall mean any fresh fruits, vegetables, mushrooms, nuts, shell eggs, honey or other bee products, maple syrup or maple sugar, flowers, nursery stock and other horticultural commodities, livestock food products, including meat, milk, cheese, and other dairy products, food products of “aquaculture”, as defined in subsection 1 of section 277.024, products from any tree, vine, or plant and other flowers, or any of the products listed in this subdivision that have been processed by the participating farmer, including, but not limited to, baked goods made with farm products.

3. For purposes of this section “farmers’ market” shall mean a cooperative or nonprofit enterprise or association that consistently occupies a given site throughout the season, which operates principally

as a common marketplace for a group of farmers to sell farm products directly to consumers, and where the products sold are produced by the participating farmers with the sole intent and purpose of generating a portion of household income.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 6

Amend House Committee Substitute for Senate Bill No. 981, Page 10, Section 144.018, Line 41, by inserting after all of said line the following:

“144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, including but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games and athletic events, **except that no tax shall be levied and imposed on the amount paid for any amount paid to any yoga studio or other similar facility at which yoga is practiced or taught;**

(3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto; except that, the payment made by telecommunications subscribers or others, pursuant to section 144.060, and any amounts paid for access to the Internet or interactive computer services shall not be considered as amounts paid for telecommunications services;

(5) A tax equivalent to four percent of the basic rate paid or charged for all sales of services for transmission of messages of telegraph companies;

(6) A tax equivalent to four percent on the amount of sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the public;

(7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(8) A tax equivalent to four percent of the amount paid or charged for rental or lease of tangible personal property, provided that if the lessor or renter of any tangible personal property had previously purchased the property under the conditions of “sale at retail” as defined in [subdivision (8) of] section 144.010 or

leased or rented the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this section and section 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof.

2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the words “This ticket is subject to a sales tax.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 7

Amend House Amendment No. 7 to Senate Bill No. 981, Page 4, Line 10, by inserting after all of said line the following:

“(34) Any county of the third classification without a township form of government and with more than twelve thousand one hundred but fewer than twelve thousand two hundred inhabitants.”; and

Further amend said amendment, Page 4, Line 22, by inserting after all of said line the following:

“94.832. 1. The governing body of any city of the third classification with more than four thousand seven hundred but fewer than four thousand eight hundred inhabitants and located in any county of the first classification with more than one hundred eighty-four thousand but fewer than one hundred eighty-eight thousand inhabitants may impose, by order or ordinance, a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels situated in the city or a portion thereof. The tax shall be not more than five percent per occupied room per night, and shall be imposed solely for the purpose of funding tourism and infrastructure improvements. The tax authorized in this section shall be in addition to the charge for the sleeping room and all other taxes imposed by law, and shall be stated separately from all other charges and taxes.

2. No such order or ordinance shall become effective unless the governing body of the city submits to the voters of the city at a state general, primary, or special election a proposal to authorize the governing body of the city to impose a tax under this section. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters of the city and such question is approved by a majority of the qualified voters voting on the question.

3. All revenue generated by the tax shall be collected by the city collector of revenue, shall be

deposited in a special trust fund, and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund that are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other city funds. Any interest and moneys earned on such investments shall be credited to the fund.

4. The governing body of any city that has adopted the 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. If a majority of the votes cast on the proposal 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 authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters of the city, and the repeal is approved by a majority of the qualified voters voting on the question.

5. Whenever the governing body of any city that has adopted the tax authorized in this section receives a petition, signed by a number of registered voters of the city equal to at least ten percent of the number of registered voters of the city voting in the last gubernatorial election, calling for an election to repeal the 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 of the city and the repeal is approved by a majority of the qualified voters voting on the question.

6. As used in this section, “transient guests” means a person or persons who occupy a room or rooms in a hotel or motel for thirty-one days or less during any calendar quarter.”; and”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 7

Amend House Committee Substitute for Senate Bill No. 981, Section A, Page 1, Line 3, by inserting after all of said section the following:

“67.1360. 1. The governing body of **the following cities and counties may impose a tax as provided in this section:**

- (1) A city with a population of more than seven thousand and less than seven thousand five hundred;
- (2) A county with a population of over nine thousand six hundred and less than twelve thousand which has a total assessed valuation of at least sixty-three million dollars, if the county submits the issue to the voters of such county prior to January 1, 2003;
- (3) A third class city which is the county seat of a county of the third classification without a township form of government with a population of at least twenty-five thousand but not more than thirty thousand inhabitants;
- (4) Any fourth class city having, according to the last federal decennial census, a population of more than one thousand eight hundred fifty inhabitants but less than one thousand nine hundred fifty inhabitants

in a county of the first classification with a charter form of government and having a population of greater than six hundred thousand but less than nine hundred thousand inhabitants;

(5) Any city having a population of more than three thousand but less than eight thousand inhabitants in a county of the fourth classification having a population of greater than forty-eight thousand inhabitants;

(6) Any city having a population of less than two hundred fifty inhabitants in a county of the fourth classification having a population of greater than forty-eight thousand inhabitants;

(7) Any fourth class city having a population of more than two thousand five hundred but less than three thousand inhabitants in a county of the third classification having a population of more than twenty-five thousand but less than twenty-seven thousand inhabitants;

(8) Any third class city with a population of more than three thousand two hundred but less than three thousand three hundred located in a county of the third classification having a population of more than thirty-five thousand but less than thirty-six thousand;

(9) Any county of the second classification without a township form of government and a population of less than thirty thousand;

(10) Any city of the fourth class in a county of the second classification without a township form of government and a population of less than thirty thousand;

(11) Any county of the third classification with a township form of government and a population of at least twenty-eight thousand but not more than thirty thousand;

(12) Any city of the fourth class with a population of more than one thousand eight hundred but less than two thousand in a county of the third classification with a township form of government and a population of at least twenty-eight thousand but not more than thirty thousand;

(13) Any city of the third class with a population of more than seven thousand two hundred but less than seven thousand five hundred within a county of the third classification with a population of more than twenty-one thousand but less than twenty-three thousand;

(14) Any fourth class city having a population of more than two thousand eight hundred but less than three thousand one hundred inhabitants in a county of the third classification with a township form of government having a population of more than eight thousand four hundred but less than nine thousand inhabitants;

(15) Any fourth class city with a population of more than four hundred seventy but less than five hundred twenty inhabitants located in a county of the third classification with a population of more than fifteen thousand nine hundred but less than sixteen thousand inhabitants;

(16) Any third class city with a population of more than three thousand eight hundred but less than four thousand inhabitants located in a county of the third classification with a population of more than fifteen thousand nine hundred but less than sixteen thousand inhabitants;

(17) Any fourth class city with a population of more than four thousand three hundred but less than four thousand five hundred inhabitants located in a county of the third classification without a township form of government with a population greater than sixteen thousand but less than sixteen thousand two hundred inhabitants;

(18) Any fourth class city with a population of more than two thousand four hundred but less than two

thousand six hundred inhabitants located in a county of the first classification without a charter form of government with a population of more than fifty-five thousand but less than sixty thousand inhabitants;

(19) Any fourth class city with a population of more than two thousand five hundred but less than two thousand six hundred inhabitants located in a county of the third classification with a population of more than nineteen thousand one hundred but less than nineteen thousand two hundred inhabitants;

(20) Any county of the third classification without a township form of government with a population greater than sixteen thousand but less than sixteen thousand two hundred inhabitants;

(21) Any county of the second classification with a population of more than forty-four thousand but less than fifty thousand inhabitants;

(22) Any third class city with a population of more than nine thousand five hundred but less than nine thousand seven hundred inhabitants located in a county of the first classification without a charter form of government and with a population of more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants;

(23) Any city of the fourth classification with more than five thousand two hundred but less than five thousand three hundred inhabitants located in a county of the third classification without a township form of government and with more than twenty-four thousand five hundred but less than twenty-four thousand six hundred inhabitants;

(24) Any third class city with a population of more than nineteen thousand nine hundred but less than twenty thousand in a county of the first classification without a charter form of government and with a population of more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants;

(25) Any city of the fourth classification with more than two thousand six hundred but less than two thousand seven hundred inhabitants located in any county of the third classification without a township form of government and with more than fifteen thousand three hundred but less than fifteen thousand four hundred inhabitants;

(26) Any county of the third classification without a township form of government and with more than fourteen thousand nine hundred but less than fifteen thousand inhabitants;

(27) Any city of the fourth classification with more than five thousand four hundred but fewer than five thousand five hundred inhabitants and located in more than one county;

(28) Any city of the fourth classification with more than six thousand three hundred but fewer than six thousand five hundred inhabitants and located in more than one county through the creation of a tourism district which may include, in addition to the geographic area of such city, the area encompassed by the portion of the school district, located within a county of the first classification with more than ninety-three thousand eight hundred but fewer than ninety-three thousand nine hundred inhabitants, having an average daily attendance for school year 2005-06 between one thousand eight hundred and one thousand nine hundred;

(29) Any city of the fourth classification with more than seven thousand seven hundred but less than seven thousand eight hundred inhabitants located in a county of the first classification with more than ninety-three thousand eight hundred but less than ninety-three thousand nine hundred inhabitants;

(30) Any city of the fourth classification with more than two thousand nine hundred but less than three

thousand inhabitants located in a county of the first classification with more than seventy-three thousand seven hundred but less than seventy-three thousand eight hundred inhabitants;

(31) Any city of the third classification with more than nine thousand three hundred but less than nine thousand four hundred inhabitants; [or]

(32) Any city of the fourth classification with more than three thousand eight hundred but fewer than three thousand nine hundred inhabitants and located in any county of the first classification with more than thirty-nine thousand seven hundred but fewer than thirty-nine thousand eight hundred inhabitants;

(33) Any city of the fourth classification with more than one thousand eight hundred but fewer than one thousand nine hundred inhabitants and located in any county of the first classification with more than one hundred thirty-five thousand four hundred but fewer than one hundred thirty-five thousand five hundred inhabitants.

2. The governing body of any city or county listed in subsection 1 of this section may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels, motels, bed and breakfast inns and campgrounds and any docking facility which rents slips to recreational boats which are used by transients for sleeping, which shall be at least two percent, but not more than five percent per occupied room per night, except that such tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at a state general, primary or special election, a proposal to authorize the governing body of the city or county to impose a tax pursuant to the provisions of this section and section 67.1362. The tax authorized by this section and section 67.1362 shall be in addition to any charge paid to the owner or operator and shall be in addition to any and all taxes imposed by law and the proceeds of such tax shall be used by the city or county solely for funding the promotion of tourism. Such tax shall be stated separately from all other charges and taxes.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 8

Amend House Amendment No. 8 to House Committee Substitute for Senate Bill No. 981, In the Title, Lines 2 to 4, by deleting all of said lines and inserting in lieu thereof the following:

“To repeal sections 86.252, 86.255, 86.256, 86.294, 94.510, 94.550, 94.577, 144.030, 144.817, 169.270, 169.280, 169.301, 169.324, and 169.328, RSMo, and to enact in lieu thereof eighteen new sections relating to state and local expenditures, with an emergency clause for certain sections.”; and

Further amend said bill, Page 1, Section A, Lines 1 to 3, by deleting all of said lines and inserting in lieu thereof the following:

“Section A. Sections 86.252, 86.255, 86.256, 86.294, 94.510, 94.550, 94.577, 144.030, 144.817, 169.270, 169.280, 169.301, 169.324, and 169.328, RSMo, are repealed and eighteen new sections enacted in lieu thereof, to be known as sections 86.252, 86.255, 86.256, 86.294, 86.295, 94.510, 94.550, 94.577, 144.030, 144.817, 169.270, 169.280, 169.301, 169.324, 169.328, 1, and 2, to read as follows:

86.252. 1. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary, the entire interest of a member shall be distributed or begin to be distributed no later than the member’s required beginning date. The general required beginning date of a member’s benefit is April first of the calendar year following the calendar year in which the member attains age seventy and one-half years or, if later, in which the

member terminates employment as a police officer and actually retires.

2. All distributions required pursuant to this section prior to January 1, 2003, shall be determined and made in accordance with the income tax regulations under Section 401(a)(9) of the Internal Revenue Code in effect prior to January 1, 2003, including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the income tax regulations. As of the first distribution year, distributions, if not made in a single sum, may only be made over one of the following periods, or a combination thereof:

(1) The life of the member;

(2) The life of the member and a designated beneficiary;

(3) A period certain not extending beyond the life expectancy of the member; or

(4) A period certain not extending beyond the joint and last survivor expectancy of the member and a designated beneficiary.

3. (1) This subsection shall apply for purposes of determining required minimum distributions for calendar years beginning on and after January 1, 2003, and shall take precedence over any inconsistent provisions of section 86.200 to 86.366. All distributions required under this subsection shall be determined and made in accordance with the United States Treasury regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended.

(2) (a) The member's entire interest shall be distributed or begin to be distributed to the member no later than the member's required beginning date.

(b) If the member dies before distributions begin, the member's entire interest shall be distributed or begin to be distributed no later than as follows:

a. If the member's surviving spouse is the member's sole designated beneficiary, distributions to the surviving spouse shall begin by December thirty-first of the calendar year immediately following the calendar year in which the member died, or by December thirty-first of the calendar year in which the member would have attained age seventy and one-half years, if later;

b. If the member's surviving spouse is not the member's sole designated beneficiary, distributions to the designated beneficiary shall begin by December thirty-first of the calendar year immediately following the calendar year in which the member died;

c. If there is no designated beneficiary as of September thirtieth of the calendar year following the calendar year of the member's death, the member's entire interest shall be distributed by December thirty-first of the calendar year containing the fifth anniversary of the member's death;

d. If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distribution to the surviving spouse begins, this paragraph, except for subparagraph a. of this paragraph, shall apply as if the surviving spouse were the member. For purposes of this paragraph and subdivision (5) of this subsection, distributions shall be considered to begin on the member's required beginning date, or if subparagraph d. of this paragraph applies, the date distributions are required to begin to the surviving spouse under subparagraph a. of this paragraph. If annuity payments irrevocably commence to the member before the member's required beginning date, or to the member's surviving spouse before the date of distributions are required to begin to the surviving spouse under subparagraph a. of this paragraph, the date of distributions shall be considered to begin the date distributions actually commence.

(c) Unless the member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions shall be made in accordance with subdivisions (3), (4), and (5) of this subsection. If the member's interest is distributed in the form of an annuity purchased from an insurance company, distributions shall be made in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, and the United States Treasury regulations.

(3) (a) If the member's interest is paid in the form of annuity distributions under sections 86.200 to 86.366, payments under the annuity shall satisfy the following requirements:

a. The annuity distributions shall be paid in periodic payments made at intervals not longer than one year;

b. The distribution period shall be over a life or lives, or over a period certain not longer than the period described in subdivision (4) or (5) of this subsection;

c. Once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted;

d. Payments shall either be nonincreasing or increase only as [follows:

(i) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the federal Bureau of Labor Statistics;

(ii) To the extent of the reduction in the amount of the member's payments to provide for a surviving benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in subdivision (4) of this subsection dies or is no longer the member's beneficiary under a qualified domestic relations order with the meaning of Section 414(p) of the Internal Revenue Code of 1986, as amended;

(iii) To provide cash refunds of employee contributions upon the member's death; or

(iv) To pay increased benefits that result from a revision of sections 86.200 to 86.366] **permitted under Q&A of Section 1.401(a)(9)-6 of the United States Treasury regulations.**

(b) The amount distributed on or before the member's required beginning date, or if the member dies before distribution begins, the date distributions are required to begin under subparagraph a. or b. of paragraph (b) of subdivision (2) of this subsection, shall be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if the payment interval ends in the next calendar year. "Payment intervals" means the periods for which payments are received, such as bimonthly, monthly, semiannually, or annually. All of the member's benefit accruals as of the last day of the first distribution calendar year shall be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.

(c) Any additional benefits accruing to the member in a calendar year after the first distribution calendar year shall be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(4) (a) If the member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the member and a nonspouse beneficiary, annuity payments to be made on or after the member's required beginning date to the designated beneficiary after the member's death shall not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable

to the member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the United States Treasury regulations.

(b) The period certain for an annuity distribution commencing during the member's lifetime shall not exceed the applicable distribution period for the member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the United States Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the member reaches age seventy, the applicable distribution period for the member shall be the distribution period for age seventy under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the United States Treasury regulations plus the excess of seventy over the age of the member as of the member's birthday in the year that contained the annuity starting date.

(5) (a) If the member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the member's entire interest shall be distributed, beginning no later than the time described in subparagraph a. or b. of paragraph (b) of subdivision (2) of this subsection, over the life of the designated beneficiary or over a period certain not exceeding:

a. Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the member's death; or

b. If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(b) If the member dies before the date distributions begin and there is no designated beneficiary as of September thirtieth of the calendar year following the calendar year of the member's death, distribution of the member's entire interest shall be completed by December thirty-first of the calendar year containing the fifth anniversary of the member's death.

(c) If the member dies before the date distribution of his or her interest begins, the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this subdivision shall apply as if the surviving spouse were the member; except that, the time by which distributions shall begin shall be determined without regard to subparagraph a. of paragraph (b) of subdivision (2) of this subsection.

(6) As used in this subsection, the following terms mean:

(a) "Designated beneficiary", the surviving spouse or the individual who is designated as the beneficiary under subdivision (4) of section 86.200 or any individual who is entitled to receive death benefits under section 86.283 or 86.287 and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, and Section 1.401(a)(9)-1, Q&A-4 of the United States Treasury regulations;

(b) "Distribution calendar year", a calendar year for which a minimum distribution is required. For distributions beginning before the member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the member's required beginning date. For distributions beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin under paragraph (b) of subdivision (2) of this subsection;

(c) "Life expectancy", life expectancy as computed by use of the Single Life Table in Section

1.401(a)(9)-9 of the United States Treasury regulations;

(d) “Required beginning date”, April first of the calendar year following the calendar year in which the member attains age seventy and one-half years or, if later, in which the member terminates employment as a police officer and actually retires.

(7) Notwithstanding any provision in this subsection to the contrary:

(a) A distribution for calendar years 2003, 2004, and 2005 shall not fail to satisfy Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, merely because the payments do not satisfy Section 1.401(a)(9)-1, Q&A-1 to Q&A-16 of the United States Treasury regulations, provided the payments satisfy Section 401(a)(9) of the Internal Revenue Code of 1986, as amended; and

(b) [In the case of an annuity distribution option provided under the terms of sections 86.200 to 86.366 shall not fail to satisfy Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, merely because the annuity payments do not satisfy the requirements of Section 1.401(a)(9)-1, Q&A-1 to Q&A-15 of the United States Treasury regulations, provided the distribution option satisfies Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, based on a reasonable and good faith interpretation of the provisions of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended.] **Pursuant to Section 1.401(a)(9)-1, Q&A-2 of the United States Treasury regulations, the plan shall be treated as having complied with Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all years to which Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, applies to the plan if the plan complies with a reasonable and good faith interpretation of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended.**

86.255. 1. Notwithstanding any other provision of the plan established in sections 86.200 to 86.366, if an eligible rollover distribution becomes payable to a distributee, the distributee may elect, at the time and in the manner prescribed by the board of trustees, to have any of the eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

2. For purposes of this section, the following terms mean:

(1) “Direct rollover”, a payment by the board of trustees from the fund to the eligible retirement plan specified by the distributee;

(2) “Distributee”, a member, a surviving spouse or a spouse **or, effective for distributions made on or after January 1, 2010, a nonspouse beneficiary;**

(3) “Eligible retirement plan”, an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section 408(b) of the Internal Revenue Code, or a qualified trust described in Section 401(a) of the Internal Revenue Code that accepts the distributee’s eligible rollover distribution or, effective for eligible rollover distributions made on or after January 1, 2002, an annuity contract described in Section 403(b) of the Internal Revenue Code or an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, and shall include, for eligible rollover distributions made on or after January 1, [2002, a distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code] **2008, a Roth IRA as described in Section 408 of the Internal Revenue Code of 1986, as amended, provided that for distributions made on or after January 1, 2010**

to a nonspouse beneficiary, an eligible retirement plan shall include only an individual retirement account described in Section 408(a) of the Internal Revenue Code of 1986, as amended, an individual retirement annuity described in Section 408(b) of the Internal Revenue Code of 1986, as amended, or a Roth IRA described in Section 408A of the Internal Revenue Code of 1986, as amended, that is an inherited individual retirement account or annuity under Section 408 of the Internal Revenue Code of 1986, as amended;

(4) “Eligible rollover distribution”, any distribution of all or any portion of a member’s benefit, other than:

(a) A distribution that is one of a series of substantially equal periodic payments, made not less frequently than annually, for the life or life expectancy of the distributee or for the joint lives or joint life expectancies of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more;

(b) The portion of a distribution that is required under Section 401(a)(9) of the Internal Revenue Code; or

(c) Effective for distributions made on or after January 1, 2002, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, **for distributions made before January 1, 2007**, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so transferred, including to separately account for the portion of such distribution which is includable in gross income and the portion that is not so includable; **for distributions made on or after January 1, 2007, such portion may also be transferred to an annuity contract described in Section 403(b) of the Internal Revenue Code of 1986, as amended, or to a qualified defined benefit plan described in Section 401(a) of the Internal Revenue Code of 1986, as amended, that agrees to separately account for amounts so transferred, including to separately account for the portion of such distribution which is includable in gross income and the portion that is not so includable; and for distributions made on or after January 1, 2008, such portion may also be transferred to a Roth IRA described in Section 408A of the Internal Revenue Code of 1986, as amended.**

3. The board of trustees shall, at least thirty days, but not more than ninety days, before making an eligible rollover distribution, provide a written explanation to the distributee in accordance with the requirements of Section 402(f) of the Internal Revenue Code.

4. If the eligible rollover distribution is not subject to Sections 401(a) and 417 of the Internal Revenue Code, such eligible rollover distribution may be made less than thirty days after the distributee has received the notice described in subsection 3 of this section, provided that:

(1) The board of trustees clearly informs the distributee of the distributee’s right to consider whether to elect a direct rollover, and if applicable, a particular distribution option, for at least thirty days after the distributee receives the notice; and

(2) The distributee, after receiving the notice, affirmatively elects a distribution.

5. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary, in no event shall the trustees pay an eligible rollover distribution in the amount of five thousand dollars or less to a member or

retired member who has not attained age sixty-two unless such member or retired member consents in writing either to receive such distribution in cash or to have such distribution directly rolled over in accordance with the provisions of this section.

86.256. 1. In no event shall a member's annual benefit paid under the plan established pursuant to sections 86.200 to 86.366 exceed the amount specified in Section 415(b)(1)(A) of the Internal Revenue Code, as adjusted for any applicable increases in the cost of living, as in effect on the last day of the plan year, including any increases after the member's termination of employment.

2. Effective for limitation years beginning after December 31, 2001, in no event shall the annual additions to the plan established pursuant to sections 86.200 to 86.366, on behalf of the member, including the member's own mandatory contributions, exceed the [lesser of:

(1) One hundred percent of the member's compensation, as defined for purposes of Section 415(c)(3) of the Internal Revenue Code, for the limitation year; or

(2) Forty thousand dollars, as adjusted for increases in the cost of living under Section 415(d) of the Internal Revenue Code.

3. Effective for limitation years beginning prior to January 1, 2000, in no event shall the combined plan limitation of Section 415(e) of the Internal Revenue Code be exceeded; provided that, if necessary to avoid exceeding such limitation, the member's annual benefit under the plan established pursuant to sections 86.200 to 86.366 shall be reduced to the extent necessary to satisfy such limitations.

4.] amount specified in Section 415(c) of the Internal Revenue Code, as adjusted for any applicable increases in the cost of living pursuant to Section 415(d) of the Internal Revenue Code of 1986, as amended, as in effect on the last day of the plan year.

3. For purposes of this section, Section 415 of the Internal Revenue Code, including the special rules under Section 415(b) applicable to governmental plans and qualified participants employed by a police or fire department, is incorporated in this section by reference.

86.294. 1. Notwithstanding any other provision of the plan established in sections 86.200 to 86.366, and subject to the provisions of subsections 2[, 3,] and [4] **3** of this section, effective January 1, 2002, the plan shall accept a member's rollover contribution or direct rollover of an eligible rollover distribution made on or after January 1, 2002, from a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code, or an annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, **and that would otherwise be includable in gross income.** The plan will also accept a member's rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or (b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includable in gross income. **The plan will accept a member's direct rollover of an eligible rollover distribution made on or after October 1, 2010, from a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code of 1986, as amended, or an annuity contract described in 403(b) of the Internal Revenue Code of 1986, as amended, that includes after-tax employee contributions, other than Roth contributions described in Section 402A of the Internal Revenue Code of 1986, as amended, that are not includable in gross income and shall separately account for such after-tax amounts.**

2. Except to the extent specifically permitted under procedures established by the board of

trustees, the amount of such rollover contribution or direct rollover of an eligible rollover distribution shall not exceed the amount required to repay the member's accumulated contributions plus the applicable members' interest thereon from the date of withdrawal to the date of repayment in order to receive credit for such prior service in accordance with section 86.210, to the extent that Section 415 of the Internal Revenue Code does not apply to such repayment by reason of subsection (k)(3) thereof, or to purchase permissive service credit, as defined in Section 415(n)(3)(A) of the Internal Revenue Code, for the member under the plan in accordance with the provisions of section 105.691, RSMo.

3. Acceptance of any rollover contribution or direct rollover of **an** eligible rollover distribution under this section shall be subject to the approval of the board of trustees and shall be made in accordance with procedures established by the board of trustees.

[4. In no event shall the plan accept any rollover contribution or direct rollover distribution to the extent that such contribution or distribution consists of after-tax employee contributions which are not includable in gross income.]

86.295. Notwithstanding any provision of sections 86.200 to 86.366 to the contrary, if a member dies on or after January 1, 2007, while performing qualified military service, as defined in Section 414(u)(5) of the Internal Revenue Code of 1986, as amended, the member's surviving spouse or other dependents shall be entitled to any benefits, other than benefit increases relating to the period of qualified military service, and the rights and features associated with those benefits which would have been provided under sections 86.280 and 86.290 if the member had returned to service as a police officer and died while in active service.”; and

Further amend said bill, Page 19, Section 144.817, Line 18, by inserting after all of said line the following:

“169.270. Unless a different meaning is clearly required by the context, the following words and phrases as used in sections 169.270 to 169.400 shall have the following meanings:

(1) “Accumulated contributions”, the sum of all amounts deducted from the compensation of a member or paid on behalf of the member by the employer and credited to the member's individual account together with interest thereon in the employees' contribution fund. The board of trustees shall determine the rate of interest allowed thereon as provided for in section 169.295;

(2) “Actuarial equivalent”, a benefit of equal value when computed upon the basis of formulas and/or tables which have been approved by the board of trustees. **The formulas and tables in effect at any time shall be set forth in a written document which shall be maintained at the offices of the retirement system and treated for all purposes as part of the documents governing the retirement system established by section 169.280. The formulas and tables may be changed from time to time if recommended by the retirement system's actuary and approved by the board of trustees;**

(3) “Average final compensation”, the highest average annual compensation received for any four consecutive years of service. In determining whether years of service are “consecutive”, only periods for which creditable service is earned shall be considered, and all other periods shall be disregarded;

(4) “Beneficiary”, any person designated by a member for a retirement allowance or other benefit as provided by sections 169.270 to 169.400;

(5) “Board of education”, the board of directors or corresponding board, by whatever name, having

charge of the public schools of the school district in which the retirement system is established;

(6) “Board of trustees”, the board provided for in section 169.291 to administer the retirement system;

(7) “Break in service”, an occurrence when a regular employee ceases to be a regular employee for any reason other than retirement (including termination of employment, resignation, or furlough but not including vacation, sick leave, excused absence or leave of absence granted by an employer) and such person does not again become a regular employee until after sixty consecutive calendar days have elapsed, or after fifteen consecutive school or work days have elapsed, whichever occurs later. A break in service also occurs when a regular employee retires under the retirement system established by section 169.280 and does not again become a regular employee until after fifteen consecutive school or work days have elapsed. A “school or work day” is a day on which the employee’s employer requires (or if the position no longer exists, would require, based on past practice) employees having the former employee’s last job description to report to their place of employment for any reason;

(8) “Charter school”, any charter school established pursuant to sections 160.400 to 160.420, RSMo, and located, at the time it is established, within the school district;

(9) “Compensation”, the regular compensation as shown on the salary and wage schedules of the employer, including any amounts paid by the employer on a member’s behalf pursuant to subdivision (5) of subsection 1 of section 169.350, but such term is not to include extra pay, overtime pay, consideration for entering into early retirement, or any other payments not included on salary and wage schedules. For any year beginning after December 31, 1988, the annual compensation of each member taken into account under the retirement system shall not exceed the limitation set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended;

(10) “Creditable service”, the amount of time that a regular employee is a member of the retirement system and makes contributions thereto in accordance with the provisions of sections 169.270 to 169.400;

(11) “Employee”, any person who is classified by the school district, a charter school, the library district or the retirement system established by section 169.280 as an employee of such employer and is reported contemporaneously for federal and state tax purposes as an employee of such employer. A person is not considered to be an employee for purposes of such retirement system with respect to any service for which the person was not reported contemporaneously for federal and state tax purposes as an employee of such employer, regardless of whether the person is or may later be determined to be or to have been a common law employee of such employer, including but not limited to a person classified by the employer as independent contractors and persons employed by other entities which contract to provide staff and services to the employer. In no event shall a person reported for federal tax purposes as an employee of a private, for-profit entity be deemed to be an employee eligible to participate in the retirement system established by section 169.280 with respect to such employment;

(12) “Employer”, the school district, any charter school, the library district, or the retirement system established by section 169.280, or any combination thereof, as required by the context to identify the employer of any member, or, for purposes only of subsection 2 of section 169.324, of any retiree;

(13) “Employer’s board”, the board of education, the governing board of any charter school, the board of trustees of the library district, the board of trustees, or any combination thereof, as required by the context to identify the governing body of an employer;

(14) “Library district”, any urban public library district created from or within a school district under

the provisions of section 182.703, RSMo;

(15) “Medical board”, the board of physicians provided for in section 169.291;

(16) “Member”, any person who is a regular employee after the retirement system has been established hereunder (“active member”), and any person who (i) was an active member, (ii) has vested retirement benefits hereunder, and (iii) is not receiving a retirement allowance hereunder (“inactive member”);

(17) “Minimum normal retirement age”, the earlier of the date the member attains the age of sixty or the date the member has a total of at least seventy-five credits, with each year of creditable service and each year of age equal to one credit, with both years of creditable service and years of age prorated for fractional years;

(18) “Prior service”, service prior to the date the system becomes operative which is creditable in accordance with the provisions of section 169.311. Prior service in excess of thirty-eight years shall be considered thirty-eight years;

(19) “Regular employee”, any employee who is assigned to an established position which requires service of not less than twenty-five hours per week, and not less than nine calendar months a year. Any regular employee who is subsequently assigned without break in service to a position demanding less service than is required of a regular employee shall continue the employee’s status as a regular employee. Except as stated in the preceding sentence, a temporary, part-time, or furloughed employee is not a regular employee;

(20) “Retirant”, a former member receiving a retirement allowance hereunder;

(21) “Retirement allowance”, annuity payments to a retirant or to such beneficiary as is entitled to same;

(22) “School district”, any school district in which a retirement system shall be established under section 169.280.

169.280. 1. In each school district of this state (i) that now has or may hereafter have a population of not more than seven hundred thousand and (ii) not less than seventy percent of whose population resides in a city other than a city not within a county which now has or may hereafter have a population of four hundred thousand or more, according to the latest United States decennial census, there is hereby created and established a retirement system for the purpose of providing retirement allowances and related benefits for employees of the employer. Each such system shall be under the management of a board of trustees herein described, and shall be known as “The Public School Retirement System of (name of school district)”, and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held. When a school district first satisfies the foregoing population conditions, the board of education shall adopt a resolution certifying the same and take all actions necessary to cause the retirement system to begin operation on the thirtieth day of September following such certification.

2. In the event that (i) the population of a school district having a retirement system created hereunder should increase to a number greater than seven hundred thousand, or (ii) the population of the city in which not less than seventy percent of the population of the school district resides should decrease to a number less than four hundred thousand, or (iii) less than seventy percent of the population of the school district should reside in a city having a population of at least four hundred thousand, or (iv) the corporate organization of the school district shall lapse in accordance with subsections 1 and 4 of section 162.081,

RSMo, the retirement system of such school district shall continue to be governed by and subject to sections 169.270 to 169.400 and all other statutes, rules, and regulations applicable to retirement systems in school districts having a population of not more than seven hundred thousand and not less than seventy percent of whose population resides in a city, other than a city not within a county, of four hundred thousand or more, as if the population of such school district and city continued to be within such numerical limits.

3. The plan of retirement benefits administered by the retirement system established hereby is intended to be a qualified plan under the provisions of applicable federal law. The board of trustees shall interpret the statutes governing the retirement system and shall administer the retirement system in all respects consistent with such intent. The assets of the retirement system shall be held in trust for the exclusive benefit of members and their beneficiaries and for defraying reasonable administrative expenses of the retirement system. No part of such assets shall, at any time prior to the satisfaction of all liabilities with respect to members and their beneficiaries, be used for or diverted to any purposes other than for such exclusive benefit or for any purpose inconsistent with the requirements of sections 169.270 to 169.400.

169.301. 1. Any active member who has completed five or more years of actual (not purchased) creditable service shall be entitled to a vested retirement benefit equal to the annual service retirement allowance provided in sections 169.270 to 169.400 payable after attaining the minimum normal retirement age and calculated in accordance with the law in effect on the last date such person was a regular employee; provided, that such member does not withdraw such person's accumulated contributions pursuant to section 169.328 prior to attaining the minimum normal retirement age.

2. Any member who elected on October 13, 1961, or within thirty days thereafter, to continue to contribute and to receive benefits under sections 169.270 to 169.400 may continue to be a member of the retirement system under the terms and conditions of the plan in effect immediately prior to October 13, 1961, or may, upon written request to the board of trustees, transfer to the present plan, provided that the member pays into the system any additional contributions with interest the member would have credited to the member's account if such person had been a member of the current plan since its inception or, if the person's contributions and interest are in excess of what the person would have paid, such person will receive a refund of such excess. The board of trustees shall adopt appropriate rules and regulations governing the operation of the plan in effect immediately prior to October 13, 1961.

3. Should a retirant again become an active member, such person's retirement allowance payments shall cease during such membership and shall be recalculated upon subsequent retirement to include any creditable service earned during the person's latest period of active membership in accordance with subsection 2 of section 169.324.

4. In the event of the complete termination of the retirement system established by section 169.280 or the complete discontinuance of contributions to such retirement system, the rights of all members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be fully vested and nonforfeitable.

169.324. 1. The annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable service multiplied by one and three-fourths percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. For any member who retires as an active member on or after June 30, 1999, the annual service retirement allowance payable pursuant to section 169.320 in equal

monthly installments for life shall be the retirant's number of years of creditable service multiplied by two percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. Any member whose number of years of creditable service is greater than thirty-four and one-quarter on August 28, 1993, shall receive an annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number of years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent of the person's average final compensation but shall not receive a greater annual service retirement allowance based on additional years of creditable service after August 28, 1993. Provided, however, that, effective January 1, 1996, any retiree who retired on, before or after January 1, 1996, with at least twenty years of creditable service shall receive at least three hundred dollars each month as a retirement allowance, or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326. Provided, further, any retiree who retired with at least ten years of creditable service shall receive at least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each additional full year of creditable service greater than ten years but less than twenty years (or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326). Any beneficiary of a deceased retiree who retired with at least ten years of creditable service and elected one of the options available under section 169.326 shall also be entitled to the actuarial equivalent of the minimum benefit provided by this subsection, determined from the option chosen.

2. Except as otherwise provided in sections 169.331, 169.580 and 169.585, payment of a retirant's retirement allowance will be suspended for any month for which such person receives remuneration from the person's employer or from any other employer in the retirement system established by section 169.280 for the performance of services except any such person other than a person receiving a disability retirement allowance under section 169.322 may serve as a nonregular substitute, part-time or temporary employee for not more than six hundred hours in any school year without becoming a member and without having the person's retirement allowance discontinued, **provided that through such substitute, part-time, or temporary employment, the person may earn no more than fifty percent of the annual salary or wages the person was last paid by the employer before the person retired and commenced receiving a retirement allowance, adjusted for inflation. If a person exceeds such hours limit or such compensation limit, payment of the person's retirement allowance shall be suspended for the month in which such limit was exceeded and each subsequent month in the school year for which the person receives remuneration from any employer in the retirement system.** If a retirant is reemployed by any employer in any capacity, whether pursuant to this section, or section 169.331, 169.580, or 169.585, or as a regular employee, the amount of such person's retirement allowance attributable to service prior to the person's first retirement date shall not be changed by the reemployment. If the person again becomes an active member and earns additional creditable service, upon the person's second retirement the person's retirement allowance shall be the sum of:

(1) The retirement allowance the person was receiving at the time the person's retirement allowance was suspended, pursuant to the payment option elected as of the first retirement date, plus the amount of any increase in such retirement allowance the person would have received pursuant to subsection 3 of this section had payments not been suspended during the person's reemployment; and

(2) An additional retirement allowance computed using the benefit formula in effect on the person's second retirement date, the person's creditable service following reemployment, and the person's average **final** annual compensation as of the second retirement date. The sum calculated pursuant to this subsection

shall not exceed the greater of sixty percent of the person's average final compensation as of the second retirement date or the amount determined pursuant to subdivision (1) of this subsection. Compensation earned prior to the person's first retirement date shall be considered in determining the person's average final compensation as of the second retirement date if such compensation would otherwise be included in determining the person's average final compensation.

3. The board of trustees shall determine annually whether the investment return on funds of the system can provide for an increase in benefits for retirants eligible for such increase. A retirant shall and will be eligible for an increase awarded pursuant to this section as of the second January following the date the retirant commenced receiving retirement benefits. Any such increase shall also apply to any monthly joint and survivor retirement allowance payable to such retirant's beneficiaries, regardless of age. The board shall make such determination as follows:

(1) After determination by the actuary of the investment return for the preceding year as of December thirty-first (the "valuation year"), the actuary shall recommend to the board of trustees what portion of the investment return is available to provide such benefits increase, if any, and shall recommend the amount of such benefits increase, if any, to be implemented as of the first day of the thirteenth month following the end of the valuation year, and the first payable on or about the first day of the fourteenth month following the end of the valuation year. The actuary shall make such recommendations so as not to affect the financial soundness of the retirement system, recognizing the following safeguards:

(a) The retirement system's funded ratio as of January first of the year preceding the year of a proposed increase shall be at least one hundred percent after adjusting for the effect of the proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

(b) The actuarially required contribution rate, after adjusting for the effect of the proposed increase, may not exceed the statutory contribution rate;

(c) The actuary shall certify to the board of trustees that the proposed increase will not impair the actuarial soundness of the retirement system;

(d) A benefit increase, under this section, once awarded, cannot be reduced in succeeding years;

(2) The board of trustees shall review the actuary's recommendation and report and shall, in their discretion, determine if any increase is prudent and, if so, shall determine the amount of increase to be awarded.

4. This section does not guarantee an annual increase to any retirant.

5. If an inactive member becomes an active member after June 30, 2001, and after a break in service, unless the person earns at least four additional years of creditable service without another break in service, upon retirement the person's retirement allowance shall be calculated separately for each separate period of service ending in a break in service. The retirement allowance shall be the sum of the separate retirement allowances computed for each such period of service using the benefit formula in effect, the person's average final compensation as of the last day of such period of service and the creditable service the person earned during such period of service; provided, however, if the person earns at least four additional years of creditable service without another break in service, all of the person's creditable service prior to and including such service shall be aggregated and, upon retirement, the retirement allowance shall be computed using the benefit formula in effect and the person's average final compensation as of the last day of such period of four or more years and all of the creditable service the person earned prior to and during such

period.

6. Notwithstanding anything contained in this section to the contrary, the amount of the annual service retirement allowance payable to any retirant pursuant to the provisions of sections 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall at all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, the terms of which are specifically incorporated herein by reference.

7. All retirement systems established by the laws of the state of Missouri shall develop a procurement action plan for utilization of minority and women money managers, brokers and investment counselors. Such retirement systems shall report their progress annually to the joint committee on public employee retirement and the governor's minority advocacy commission.

169.328. 1. Should a member cease to be a regular employee, except by retirement, the member, if living, shall be paid on demand, made by written notice to the board of trustees, the amount of the person's accumulated contributions (with interest as determined by the board of trustees as provided in sections 169.270 to 169.400) standing to the credit of the person's individual account in the employees' contribution fund. The accumulated contributions with interest shall not be paid to a member so long as the person remains a regular employee or before the member incurs a break in service. If the member dies before retirement such accumulated contributions (with interest) shall be paid to the member's estate or designated beneficiary unless the provisions of subsection 3 of section 169.326 apply.

2. If a former unvested member's accumulated contributions have not been withdrawn four years after the person has ceased to be a member (other than by reason of death or retirement), the board of trustees shall pay the same to such former member within a reasonable time after the expiration of such four-year period.

3. If, on account of undeliverability, improper mailing or forwarding address, or other similar problem, the board of trustees is unable to refund the accumulated contributions of a former unvested member or to commence payment of retirement benefits within four years after the end of the calendar year in which such former member ceased to be a regular employee, the board may transfer the accumulated contributions to the general reserve fund. If, thereafter, written application is made to the board of trustees for such refund or benefits, the board shall cause the same to be paid from the general reserve fund, but no interest shall be accrued after the end of the fourth year following the end of the calendar year in which such former member ceased to be a regular employee.

4. In its discretion the board of trustees may approve extensions of any time periods in this section on account of a former member's military or naval service, academic study or illness.

5. Any member or beneficiary who is entitled to receive a distribution that is an eligible rollover distribution, as defined in Section 402(c)(4) of the Internal Revenue Code of 1986, may elect to have that distribution transferred directly to another eligible retirement plan, as defined in Section 402(c)(8) of the Internal Revenue Code of 1986, designated by the member or beneficiary in accordance with procedures established by the board of trustees. An eligible rollover distribution shall include a distribution to a nonspouse beneficiary that is treated as an eligible rollover distribution under Section 402(c)(11) of the Internal Revenue Code of 1986. All such transfers shall be made in compliance with the requirements of Section 401(a)(31) of the Internal Revenue Code of 1986 and regulations thereunder.”; and

Further amend said title, enacting clause and intersectional references accordingly.

HOUSE AMENDMENT NO. 8

Amend House Committee Substitute for Senate Bill No. 981, Section A, Page 1, Line 3, by inserting the following after all of said Line:

“67.2050. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) “Facility”, a location composed of real estate, buildings, fixtures, machinery, and equipment;

(2) “Municipality”, any county, city, incorporated town, or village of the state;

(3) “NAICS”, the 2007 edition of the North American Industry Classification System developed under the direction and guidance of the federal Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;

(4) “Technology business facility”, a facility purchased, constructed, extended, or improved under this section, provided that such business facility is engaged in:

(a) Data processing, hosting, and related services (NAICS 518210); or

(b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility;

(5) “Technology business facility project” or “project”, the purchase, construction, extension, and improvement of technology business facilities, whether of the facility as a whole or of any one or more of the facility’s components of real estate, buildings, fixtures, machinery, and equipment.

2. The governing body of any municipality may:

(1) Carry out technology business facility projects for economic development under this section;

(2) Accept grants from the federal and state governments for technology business facility project purposes, and may enter into such agreements as are not contrary to the laws of this state and which may be required as a condition of grants by the federal government or its agencies; and

(3) Receive gifts and donations from private sources to be used for technology business facility project purposes.

3. The governing body of the municipality may enter into loan agreements, sell, lease, or mortgage to private persons, partnerships, or corporations any one or more of the components of a facility received, purchased, constructed, or extended by the municipality for development of a technology business facility project. The loan agreement, installment sale agreement, lease, or other such document shall contain such other terms as are agreed upon between the municipality and the obligor, provided that such terms shall be consistent with this section. When, in the judgment of the governing body of the municipality, the technology business facility project will result in economic benefits to the municipality, the governing body may lawfully enter into an agreement that includes nominal monetary consideration to the municipality in exchange for the use of one or more components of the facility.

4. Transactions involving the lease or rental of any components of a project under this section shall

be specifically exempted from the provisions of the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745.

5. Leasehold interests granted and held under this section shall not be subject to property taxes.

6. Any payments in lieu of taxes expected to be made by any lessee of the project shall be applied in accordance with this section. The lessee may reimburse the municipality for its actual costs of administering the plan. All amounts paid in excess of such actual costs shall, immediately upon receipt thereof, be disbursed by the municipality's treasurer or other financial officer to each affected taxing entity in proportion to the current ad valorem tax levy of each affected taxing entity.

7. The county assessor shall include the current assessed value of all property within the affected taxing entities in the aggregate valuation of assessed property entered upon the assessor's book and verified under section 137.245, and such value shall be used for the purpose of the debt limitation on local government under section 26(b), article VI, Constitution of Missouri.

8. The governing body of any municipality may sell or otherwise dispose of the property, buildings, or plants acquired under this section to private persons or corporations for technology business facility project purposes upon approval by the governing body. The terms and method of the sale or other disposal shall be established by the governing body so as to reasonably protect the economic well-being of the municipality and to promote the development of technology business facility projects. A private person or corporation that initially transfers property to the municipality for the purposes of a technology business facility project and does not charge a purchase price to the municipality shall retain the right, upon request to the municipality, to have the municipality retransfer the donated property to the person or corporation at no cost.”; and

Further amend said bill, Section 94.577, Page 9, Line 224, by inserting after all of said line the following:

“135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

(1) “Average wage”, the new payroll divided by the number of new jobs;

(2) “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(3) “Board”, an enhanced enterprise zone board established pursuant to section 135.957;

(4) “Certified site zone”, an area of real property that:

(a) Encompasses not less than fifty acres that has been approved as a certified site by the department;

(b) Has been found to be blighted by the governing authority; and

(c) Is located in one or more census tracts which according to the United States Census Bureau's last decennial census has a poverty rate of fifteen percent or more, or for which the median household

income that is less than:

a. Statewide median household income; or

b. The metropolitan median household income for the metropolitan statistical area in which the certified site zone is located;

(5) “Certified site”, an area of property designated as a certified site by the department under the certified sites program;

(6) “Commencement of commercial operations” shall be deemed to occur during the first taxable year for which the new business facility is first put into use by the taxpayer in the enhanced business enterprise in which the taxpayer intends to use the new business facility;

[(5)] (7) “County average wage”, the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility. The department shall publish the county average wage for each county at least annually. Notwithstanding the provisions of this subdivision to the contrary, for any taxpayer that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, such taxpayer shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their project shall be the county average wage for the county from which the employees are being relocated;

[(6)] (8) “Department”, the department of economic development;

[(7)] (9) “Director”, the director of the department of economic development;

(10) “Dormant manufacturing plant zone”, an area of real property:

(a) Encompassing not less than two hundred fifty acres that, within five years of the date of the notice of intent, was predominantly used for manufacturing or assembly and employed not less than three thousand persons but has since ceased all activity;

(b) That has been found, by an ordinance adopted by the governing body, to be a blighted area and designated for redevelopment; and

(c) That:

a. Is located in a census tract with, according to United States Census Bureau’s American Community Survey based on the most recent of five-year period estimated data in which the estimate ends in either zero or five, a poverty rate of fifteen percent or more, or the median household income is below the statewide median household income or the metropolitan median household income for the metropolitan statistical area in which the property is located; or

b. Involves funding provided by a federal agency of at least one million dollars to facilitate the redevelopment of such property;

[(8)] (11) “Employee”, a person employed by the enhanced business enterprise that is scheduled to work an average of at least one thousand hours per year, and such person at all times has health insurance offered to him or her, which is partially paid for by the employer;

[(9)] (12) “Enhanced business enterprise”, an industry or one of a cluster of industries that is either:

(a) Identified by the department as critical to the state's economic security and growth, **or in the case of a business enterprise located in a certified site zone, will also include data processing, hosting, and related services (NAICS 518210) and internet publishing, broadcasting, and web search portals (NAICS 519130);** or

(b) Will have an impact on industry cluster development, as identified by the governing authority in its application for designation of an enhanced enterprise zone and approved **or deemed approved** by the department; but excluding gambling establishments (NAICS industry group 7132), retail trade (NAICS sectors 44 and 45), educational services (NAICS sector 61), religious organizations (NAICS industry group 8131), public administration (NAICS sector 92), and food and drinking places (NAICS subsector 722), however, notwithstanding provisions of this section to the contrary, headquarters or administrative offices of an otherwise excluded business may qualify for benefits if the offices serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the new jobs and investment of such headquarters operation is considered eligible for benefits under this section if the other requirements are satisfied. Service industries may be eligible only if a majority of its annual revenues will be derived from out of the state;

[(10)] **(13)** "Existing business facility", any facility in this state which was employed by the taxpayer claiming the credit in the operation of an enhanced business enterprise immediately prior to an expansion, acquisition, addition, or replacement;

[(11)] **(14)** "Facility", any building used as an enhanced business enterprise located within an enhanced enterprise zone, including the land on which the facility is located and all machinery, equipment, and other real and depreciable tangible personal property acquired for use at and located at or within such facility and used in connection with the operation of such facility;

[(12)] **(15)** "Facility base employment", the greater of the number of employees located at the facility on the date of the notice of intent, or for the twelve-month period prior to the date of the notice of intent, the average number of employees located at the facility, or in the event the project facility has not been in operation for a full twelve-month period, the average number of employees for the number of months the facility has been in operation prior to the date of the notice of intent;

[(13)] **(16)** "Facility base payroll", the total amount of taxable wages paid by the enhanced business enterprise to employees of the enhanced business enterprise located at the facility in the twelve months prior to the notice of intent, not including the payroll of owners of the enhanced business enterprise unless the enhanced business enterprise is participating in an employee stock ownership plan. For the purposes of calculating the benefits under this program, the amount of base payroll shall increase each year based on the consumer price index or other comparable measure, as determined by the department;

[(14)] **(17)** "Governing authority", the body holding primary legislative authority over a county or incorporated municipality;

[(15)] **(18)** "Megaproject", any manufacturing or assembling facility, approved by the department for construction and operation within an enhanced enterprise zone, which satisfies the following:

(a) The new capital investment is projected to exceed three hundred million dollars over a period of eight years from the date of approval by the department;

(b) The number of new jobs is projected to exceed one thousand over a period of eight years beginning on the date of approval by the department;

(c) The average wage of new jobs to be created shall exceed the county average wage;

(d) The taxpayer shall offer health insurance to all new jobs and pay at least eighty percent of such insurance premiums; and

(e) An acceptable plan of repayment, to the state, of the tax credits provided for the megaproject has been provided by the taxpayer;

[(16)] (19) “NAICS”, the [1997] **2007** edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group or industry identified in this section shall include its corresponding classification in subsequent federal industry classification systems;

[(17)] (20) “New business facility”, a facility that satisfies the following requirements:

(a) Such facility is employed by the taxpayer in the operation of an enhanced business enterprise. Such facility shall not be considered a new business facility in the hands of the taxpayer if the taxpayer’s only activity with respect to such facility is to lease it to another person or persons. If the taxpayer employs only a portion of such facility in the operation of an enhanced business enterprise, and leases another portion of such facility to another person or persons or does not otherwise use such other portions in the operation of an enhanced business enterprise, the portion employed by the taxpayer in the operation of an enhanced business enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c), and (d) of this subdivision are satisfied;

(b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31, 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding contract to transfer title to the taxpayer, or the commencement of the term of the lease to the taxpayer occurs after December 31, 2004;

(c) If such facility was acquired by the taxpayer from another taxpayer and such facility was employed immediately prior to the acquisition by another taxpayer in the operation of an enhanced business enterprise, the operation of the same or a substantially similar enhanced business enterprise is not continued by the taxpayer at such facility; and

(d) Such facility is not a replacement business facility, as defined in subdivision [(25)] (28) of this section;

[(18)] (21) “New business facility employee”, an employee of the taxpayer in the operation of a new business facility during the taxable year for which the credit allowed by section 135.967 **or section 135.969** is claimed, except that truck drivers and rail and barge vehicle operators and other operators of rolling stock for hire shall not constitute new business facility employees;

[(19)] (22) “New business facility investment”, the value of real and depreciable tangible personal property, acquired by the taxpayer **or on its behalf in the case of a lease**, as part of the new business facility, which is used by the taxpayer in the operation of the new business facility, during the taxable year for which the credit allowed by **section 135.967 or 135.969** is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall not constitute new business facility investments. The total value of such property during such taxable year shall be:

(a) Its original cost if owned by the taxpayer; or

(b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The new business facility investment shall be determined by dividing by twelve the sum of the total value of such property on the last business day of each calendar month of the taxable year. If the new business facility is in operation for less than an entire taxable year, the new business facility investment shall be determined by dividing the sum of the total value of such property on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period;

[(20)] (23) “New job”, the number of employees located at the facility that exceeds the facility base employment less any decrease in the number of the employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job;

[(21)] (24) “Notice of intent”, a form developed by the department which is completed by the enhanced business enterprise and submitted to the department which states the enhanced business enterprise’s intent to hire new jobs and request benefits under such program;

[(22)] (25) “Related facility”, a facility operated by the enhanced business enterprise or a related company in this state that is directly related to the operation of the project facility;

[(23)] (26) “Related facility base employment”, the greater of:

(a) The number of employees located at all related facilities on the date of the notice of intent; or

(b) For the twelve-month period prior to the date of the notice of intent, the average number of employees located at all related facilities of the enhanced business enterprise or a related company located in this state;

[(24)] (27) “Related taxpayer”:

(a) A corporation, partnership, trust, or association controlled by the taxpayer;

(b) An individual, corporation, partnership, trust, or association in control of the taxpayer; or

(c) A corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the taxpayer. “Control of a corporation” shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, “control of a partnership or association” shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, and “control of a trust” shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

[(25)] (28) “Replacement business facility”, a facility otherwise described in subdivision [(17)] (20) of this section, hereafter referred to in this subdivision as “new facility”, which replaces another facility, hereafter referred to in this subdivision as “old facility”, located within the state, which the taxpayer or a related taxpayer previously operated but discontinued operating on or before the close of the first taxable year for which the credit allowed by this section is claimed. A new facility shall be deemed to replace an old facility if the following conditions are met:

(a) The old facility was operated by the taxpayer or a related taxpayer during the taxpayer’s or related

taxpayer's taxable period immediately preceding the taxable year in which commencement of commercial operations occurs at the new facility; and

(b) The old facility was employed by the taxpayer or a related taxpayer in the operation of an enhanced business enterprise and the taxpayer continues the operation of the same or substantially similar enhanced business enterprise at the new facility. Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered a replacement business facility if the taxpayer's new business facility investment, as computed in subdivision [(19)] **(22)** of this section, in the new facility during the tax period for which the credits allowed in section 135.967 **or 135.969** are claimed exceed one million dollars and if the total number of employees at the new facility exceeds the total number of employees at the old facility by at least two;

[(26)] **(29)** "Same or substantially similar enhanced business enterprise", an enhanced business enterprise in which the nature of the products produced or sold, or activities conducted, are similar in character and use or are produced, sold, performed, or conducted in the same or similar manner as in another enhanced business enterprise.

135.953. 1. For purposes of sections 135.950 to 135.970, an area shall meet the following criteria in order to qualify as an enhanced enterprise zone:

(1) The area shall be a blighted area, have pervasive poverty, unemployment and general distress; and

(2) At least sixty percent of the residents living in the area have incomes below ninety percent of the median income of all residents:

(a) Within the state of Missouri, according to the last decennial census or other appropriate source as approved by the director; or

(b) Within the county or city not within a county in which the area is located, according to the last decennial census or other appropriate source as approved by the director; and

(3) The resident population of the area shall be at least five hundred but not more than one hundred thousand at the time of designation as an enhanced enterprise zone if the area lies within a metropolitan statistical area, as established by the United States Census Bureau, or if the area does not lie within a metropolitan statistical area, the resident population of the area at the time of designation shall be at least five hundred but not more than forty thousand inhabitants. If the population of the jurisdiction of the governing authority does not meet the minimum population requirements set forth in this subdivision, the population of the area must be at least fifty percent of the population of the jurisdiction. However, no enhanced enterprise zone shall be created which consists of the total area within the political boundaries of a county; and

(4) The level of unemployment of persons, according to the most recent data available from the United States Bureau of Census and approved by the director, within the area is equal to or exceeds the average rate of unemployment for:

(a) The state of Missouri over the previous twelve months; or

(b) The county or city not within a county over the previous twelve months.

2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an enhanced enterprise zone may be established in an area located within a county for which public and individual assistance has been requested by the governor pursuant to Section 401 of the Robert T. Stafford Disaster

Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural disaster of major proportions, if the area to be designated is blighted and sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency. An application for designation as an enhanced enterprise zone pursuant to this subsection shall be made before the expiration of one year from the date the governor requested federal relief for the area sought to be designated.

3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an enhanced enterprise zone may be designated in a county of declining population if it meets the requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the purposes of this subsection, a “county of declining population” is one that has lost one percent or more of its population as demonstrated by comparing the most recent decennial census population to the next most recent decennial census population for the county.

4. Notwithstanding the requirements of subsection 1 of this section to the contrary, a certified site zone or a dormant manufacturing plant zone may be designated as an enhanced enterprise zone if the certified site zone or dormant manufacturing plant zone meets the criteria set forth in subdivision (4) of section 135.950 or the dormant manufacturing plant zone meets the criteria set forth in subdivision (10) of section 135.950.

5. In addition to meeting the requirements of subsection 1, 2, 3, or [3] 4 of this section, an area, to qualify as an enhanced enterprise zone, shall be demonstrated by the governing authority to have either:

- (1) The potential to create sustainable jobs in a targeted industry; or
- (2) A demonstrated impact on local industry cluster development.

135.957. 1. A governing authority planning to seek designation of an enhanced enterprise zone shall establish an enhanced enterprise zone board. The number of members on the board shall be seven. One member of the board shall be appointed by the school district or districts located within the area proposed for designation as an enhanced enterprise zone. One member of the board shall be appointed by other affected taxing districts. The remaining five members shall be chosen by the chief elected official of the county or municipality.

2. The school district member and the affected taxing district member shall each have initial terms of five years. Of the five members appointed by the chief elected official, two shall have initial terms of four years, two shall have initial terms of three years, and one shall have an initial term of two years. Thereafter, members shall serve terms of five years. Each commissioner shall hold office until a successor has been appointed. All vacancies shall be filled in the same manner as the original appointment. For inefficiency or neglect of duty or misconduct in office, a member of the board may be removed by the applicable appointing authority.

3. A majority of the members shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the board and for all other purposes. Action may be taken by the board upon a vote of a majority of the members present.

4. The members of the board annually shall elect a chair from among the members.

5. In the case of a certified site zone or a dormant manufacturing plant zone regarding which a finding of blight has been made as provided in subdivision (1) of subsection 1 of section 99.810, the

commission created under section 99.820 may, at the sole option of the governing authority, supplant and replace the board established in accordance with subsection 1 of this section, and the composition and organization of such commission shall be in accordance with section 99.820. If the governing authority elects for such commission to serve in the capacity of the enhanced enterprise zone board instead of the board established in accordance with subsection 1 of this section, the commission shall fulfill the duties of the board established under subsection 6 of this section.

6. The role of the board or commission, as described in subsection 5 of this section, shall be to conduct the activities necessary to advise the governing authority on the designation of an enhanced enterprise zone and any other advisory duties as determined by the governing authority. The role of the board after the designation of an enhanced enterprise zone shall be review and assessment of zone activities as it relates to the annual reports as set forth in section 135.960.

135.960. 1. Any governing authority that desires to have any portion of a city or unincorporated area of a county under its control designated as an enhanced enterprise zone shall hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons who will be affected by such designation. The governing authority shall notify the director of such hearing at least thirty days prior thereto and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by such designation at least twenty days prior to the date of the hearing but not more than thirty days prior to such hearing. Such notice shall state the time, location, date, and purpose of the hearing. The director, or the director's designee, shall attend such hearing. **In the alternative, any governing authority that has made the necessary findings by ordinance to designate a certified site zone or a dormant manufacturing plant zone as a blighted area as contemplated under subdivision (1) of subsection 1 of section 99.820, prior to December 31, 2010, shall not be required to conduct an additional public hearing to establish the certified site zone or the dormant manufacturing plant zone as an enhanced enterprise zone so long as the governing authority notified the director of such hearing, at least thirty days prior thereto. Any governing authority that seeks to make the necessary finding to designate a certified site zone or a dormant manufacturing plant zone as an enhanced enterprise zone after December 31, 2010, may do so under a public hearing required under sections 99.820 and 99.825 conducted by the commission, and such public hearing shall satisfy the public hearing requirement set forth in subsection 1 of this section so long as the governing authority shall notify the director of such hearing at least thirty days prior thereto.**

2. After a public hearing is held as required in subsection 1 of this section, the governing authority may file a petition with the department requesting the designation of a specific area as an enhanced enterprise zone. Such petition shall include, in addition to a description of the physical, social, and economic characteristics of the area:

(1) A plan to provide adequate police protection within the area;

(2) A specific and practical process for individual businesses to obtain waivers from burdensome local regulations, ordinances, and orders which serve to discourage economic development within the area to be designated an enhanced enterprise zone, except that such waivers shall not substantially endanger the health or safety of the employees of any such business or the residents of the area;

(3) A description of what other specific actions will be taken to support and encourage private investment within the area;

(4) A plan to ensure that resources are available to assist area residents to participate in increased

development through self-help efforts and in ameliorating any negative effects of designation of the area as an enhanced enterprise zone;

(5) A statement describing the projected positive and negative effects of designation of the area as an enhanced enterprise zone;

(6) A specific plan to provide assistance to any person or business dislocated as a result of activities within the enhanced enterprise zone. Such plan shall determine the need of dislocated persons for relocation assistance; provide, prior to displacement, information about the type, location, and price of comparable housing or commercial property; provide information concerning state and federal programs for relocation assistance and provide other advisory services to displaced persons. Public agencies may choose to provide assistance under the Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet the requirements of this subdivision; and

(7) A description or plan that demonstrates the requirements of subsection 4 of section 135.953.

3. An enhanced enterprise zone designation shall be effective upon such approval **or deemed approval** by the department and shall expire in twenty-five years. **Notwithstanding the requirement of subsection 2 of this section to the contrary, any certified site zone or dormant manufacturing plant zone that has been designated as a blighted redevelopment area as contemplated under subdivision (1) of subsection 1 of section 99.820 by the governing body or any certified site zone or dormant manufacturing plant zone that has been otherwise designated as an enhanced enterprise zone by the governing authority under this section shall be deemed approved and designated as an enhanced enterprise zone without further approval of or additional action being taken by the department. Such approval of the department of the certified site zone or dormant manufacturing plant zone as an enhanced enterprise zone and the designation of the certified site zone or dormant manufacturing plant zone as an enhanced enterprise zone shall be deemed effective when the governing authority provides written notice to the department of its intent to establish such enhanced enterprise zone and such notice is accompanied with a petition that includes all of the information required by subsection 2 of this section.**

4. Each designated enhanced enterprise zone board shall report to the director on an annual basis regarding the status of the zone and business activity within the zone.

135.963. 1. Improvements made to real property as such term is defined in section 137.010, RSMo, which are made in an enhanced enterprise zone subsequent to the date such zone or expansion thereto was designated, may, upon approval of an authorizing resolution by the governing authority having jurisdiction of the area in which the improvements are made, be exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more affected political subdivisions. In addition to enhanced business enterprises, a speculative industrial or warehouse building constructed by a public entity or a private entity if the land is leased by a public entity may be subject to such exemption.

2. Such authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy of the resolution shall be provided to the director within thirty calendar days following adoption of the resolution by the governing authority.

3. No exemption shall be granted until the governing authority holds a public hearing for the purpose of obtaining the opinions and suggestions of residents of political subdivisions to be affected by the

exemption from property taxes. The governing authority shall send, by certified mail, a notice of such hearing to each political subdivision in the area to be affected and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by the exemption at least twenty days prior to the hearing but not more than thirty days prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes otherwise imposed on subsequent improvements to real property located in an enhanced enterprise zone of enhanced business enterprises or speculative industrial or warehouse buildings as indicated in subsection 1 of this section shall become and remain exempt from assessment and payment of ad valorem taxes of any political subdivision of this state or municipality thereof for a period of not less than ten years following the date such improvements were assessed, provided the improved properties are used for enhanced business enterprises. The exemption for speculative buildings is subject to the approval of the governing authority for a period not to exceed two years if the building is owned by a private entity and five years if the building is owned or ground leased by a public entity. This shall not preclude the building receiving an exemption for the remaining time period established by the governing authority if it was occupied by an enhanced business enterprise. The two- and five-year time periods indicated for speculative buildings shall not be an addition to the local abatement time period for such facility.

5. No exemption shall be granted for a period more than twenty-five years following the date on which the original enhanced enterprise zone was designated **or deemed approved** by the department.

6. The provisions of subsection 1 of this section shall not apply to improvements made to real property begun prior to August 28, 2004.

7. The abatement referred to in this section shall not relieve the assessor or other responsible official from ascertaining the amount of the equalized assessed value of all taxable property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and shall not have the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section 99.845, RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or subdivision (2) of subsection 3 of section 99.1042, RSMo, unless such reduction is set forth in the plan approved by the governing body of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942, or section 99.1027, RSMo.

8. As applicable, before the provisions of subdivision (7) of subsection 3 of section 137.115 become effective in an enhanced enterprise zone, each local political subdivision that currently levies an ad valorem tax on tangible personal property within the boundaries of the enhanced enterprise zone shall adopt a resolution providing that the provisions of subdivision (7) of subsection 3 of section 137.115 shall apply to tangible personal property in such case.

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by the department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive multiple [ten-year] **five-year** periods for subsequent expansions at the same facility. **Notwithstanding the provisions of this subsection, the provisions of section 135.969 shall govern the issuance of tax credits for a new business facility in a certified site zone or dormant manufacturing plant zone approved and designated as an enhanced enterprise zone, except for the amount of tax credits to be issued with respect to such certified site zone or dormant manufacturing plant zone as provided in subsection 5 of this section.**

2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a new business facility in an enhanced enterprise zone and is awarded state tax credits under this section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to 135.286, or section 135.535, and may not simultaneously receive tax credits under sections 620.1875 to 620.1890, RSMo, at the same facility.

3. No credit shall be issued pursuant to this section unless:

(1) The number of new business facility employees engaged or maintained in employment at the new business facility for the taxable year for which the credit is claimed equals or exceeds two; and

(2) The new business facility investment for the taxable year for which the credit is claimed equals or exceeds one hundred thousand dollars.

4. The annual amount of credits allowed for an approved enhanced business enterprise shall be the lesser of:

(1) The annual amount authorized by the department for the enhanced business enterprise, which shall be limited to the projected state economic benefit, as determined by the department; or

(2) [The sum calculated based upon] **An amount not to exceed the sum of** the following:

(a) [A credit of four hundred dollars for each new business facility employee employed within an enhanced enterprise zone;

(b) An additional credit of four hundred dollars for each new business facility employee who is a resident of an enhanced enterprise zone] **A tax credit up to five percent of the gross wages of each new business facility employee employed within the enhanced enterprise zone if the average wage of the new jobs of the enhanced business enterprise exceeds the county average wage, or if the average wage is below the county average wage, up to three percent; and**

(b) A tax credit up to one percent of new business facility investment within an enhanced enterprise zone made during the current taxable year if the average wage of the new jobs of the enhanced business enterprise exceeds the county average wage, or if the average wage is below the county average wage, up to one-half percent;

(c) An additional credit of four hundred dollars for each new business facility employee who is paid by the enhanced business enterprise a wage that exceeds the average wage paid within the county in which the facility is located, as determined by the department; and

(d) A credit equal to two percent of new business facility investment within an enhanced enterprise zone.

5. Prior to January 1, 2007, in no event shall the department authorize more than four million dollars annually to be issued for all enhanced business enterprises. After December 31, 2006, in no event shall the department authorize more than twenty-four million dollars annually to be issued for all enhanced business enterprises **including any such enhanced business enterprises located in certified site zones or dormant manufacturing plant zones under section 135.969.**

6. If a facility, which does not constitute a new business facility, is expanded by the taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

(1) The taxpayer's new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed exceeds one hundred thousand dollars and if the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable

year for which credit is claimed equals or exceeds two, and the total number of employees at the facility after the expansion is at least two greater than the total number of employees before the expansion; and

(2) The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision [(19)] **(22)** of section 135.950.

7. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(17)] **(20)** of section 135.950, or subdivision [(25)] **(28)** of section 135.950, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

8. In the case where a new business facility employee who is a resident of an enhanced enterprise zone for less than a twelve-month period is employed for less than a twelve-month period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section shall be determined by multiplying four hundred dollars by a fraction, the numerator of which is the number of calendar days during the taxpayer's tax year for which such credits are claimed, in which the employee was a resident of an enhanced enterprise zone, and the denominator of which is three hundred sixty-five.

9. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(17)] **(20)** of section 135.950 or subdivision [(25)] **(28)** of section 135.950, the amount of the taxpayer's new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision [(19)] **(22)** of section 135.950 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

10. For a taxpayer with flow-through tax treatment to its members, partners, or shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the taxpayer's tax period.

11. Credits may not be carried forward but shall be claimed for the taxable year during which

commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years for which the credit is issued.

12. Certificates of tax credit authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. The sale price cannot be less than seventy-five percent of the par value of such credits.

13. The director of revenue shall issue a refund to the taxpayer to the extent that the amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

14. Prior to the issuance of tax credits, the department shall verify through the department of revenue, or any other state department, that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect the authorization of the application for such tax credits, except that the amount of credits issued shall be reduced by the applicant's tax delinquency. If the department of revenue or the department of insurance, financial institutions and professional registration, or any other state department, concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department, and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

135.969. 1. A taxpayer who establishes a new business facility in a certified site zone or a dormant manufacturing plant zone approved or designated as an enhanced enterprise zone shall receive a tax credit each tax year for five tax years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple five-year periods for subsequent expansions at the same facility.

2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a new business facility in a certified site zone or dormant manufacturing plant zone approved or designated as an enhanced enterprise zone and accepts state tax credits under this section shall not also receive tax credits or other benefits for the same new jobs under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, section 135.967, or sections 620.1875 to 620.1890 unless such benefits are determined to be necessary by the department.

3. The taxpayer shall be entitled to receive the tax credit upon satisfaction of one of the following criteria:

(1) The number of new business facility employees engaged or maintained in employment at the new business facility for the taxable year for which the credit is claimed equals or exceeds nine; and

(2) The new business facility investment for the taxable year for which the credit is claimed equals or exceeds five hundred thousand dollars.

4. The annual amount of tax credits to be issued for an enhanced business enterprise located in

a certified site zone or dormant manufacturing plant zone shall be equal to the lesser of:

(1) The annual amount of projected state economic benefit for such enhanced business enterprise, as determined by the department; or

(2) An annual amount equal to the sum of the following:

(a) A tax credit equal to seven percent of the gross wages of each new business facility employee employed within the enhanced enterprise zone if the average wage of the new jobs of the enhanced business enterprise exceeds the county average wage, or if the average wage is below the county average wage, equal to four percent; and

(b) A tax credit equal to two percent of new business facility investment within an enhanced enterprise zone if the average wage of the new jobs of the enhanced business enterprise exceeds the county average wage, or if the average wage is below the county average wage, equal to one percent.

5. As set forth in section 135.967, up to twenty-four million dollars of tax credits shall be authorized annually for issuance of tax credits for all enhanced enterprise zones including any tax credits issued with respect to certified site zones and dormant manufacturing plant zones of which ten million shall be used exclusively for tax credits attributable to taxpayers in accordance with this section who establish new business facilities in a certified site zone qualified as such under subdivision (4) of section 135.950, provided that for calendar years 2010 and 2011, the ten million dollar limitation may be reduced to equal the balance of tax credits available under the entire program if, as of August 28, 2010, the department has made irrevocable allocations to qualified applicants for tax credits under section 135.967 such that the total of all available tax credit capacity of this program is less than ten million dollars. Beginning January 1, 2011, if no such taxpayer or taxpayers have applied for tax credits attributable to new business facilities in a certified site zone qualified as such under subdivision (4) of section 135.950 by November fifteenth of each calendar year for the entire ten million dollars, or such lesser amount as computed for calendar years 2010 and 2011, any remaining tax credits for which an application has not been made will be available for issuance for all enhanced enterprise zones for that calendar year. If a new business facility investment in a certified site zone qualified as such under subdivision (4) of section 135.950 qualifies the taxpayer for tax credits under subsection 4 of this section, in excess of the available annual authorization limit set forth in this subsection, the taxpayer may carry such excess new business facility investment amount forward to subsequent years and such excess shall be treated as a new business facility investment for such later taxable years until the taxpayer has received issuance of all tax credits authorized under this section, and, for each such taxable year, the taxpayer shall receive such tax credits on a pro rata basis with other applicants for the tax credits if there are other applicants.

6. If a facility, which does not constitute a new business facility, is expanded by the taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

(1) The taxpayer's new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed exceeds five hundred thousand dollars and if the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which credit is claimed equals or exceeds two, and the total number of employees at the facility after the expansion is at least two greater than the total number of employees before the expansion; and

(2) The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision (22) of section 135.950.

7. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (20) or (28) of section 135.950, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

8. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (20) or (28) of section 135.950, the amount of the taxpayer's new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision (22) of section 135.950 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

9. For a taxpayer with flow-through tax treatment to its members, partners, or shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the taxpayer's tax period.

10. Except as allowed in subsection 5 of this section, credits may not be carried forward but shall be claimed for the taxable year during which commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years for which the credit is issued.

11. Certificates of tax credit authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. The sale price cannot be less than seventy-five percent of the par value of such credits.

12. The director of revenue shall issue a refund to the taxpayer to the extent that the amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

13. Prior to the issuance of tax credits, the department shall verify through the department of revenue, or any other state department, that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect the authorization of the application for such tax credits, except that the amount of credits issued shall be reduced by the applicant's tax delinquency. If the department of revenue or the department of insurance, financial institutions and professional registration, or any other state department, concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department, and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the city of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to

forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the city of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than fifty hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; [and]

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial

classification number cited in subdivision (6) of section 135.200, RSMo, twenty-five percent;

(7) In any county of the first classification with more than one hundred thirty-five thousand four hundred but fewer than one hundred thirty-five thousand five hundred inhabitants, tools, telecommunications equipment, power production and transmission machinery and equipment, data processing machinery and equipment, and other machinery and equipment that is used in an enhanced enterprise zone designated as such a zone for a certified site zone as defined in subdivision (4) of section 135.950, one-half of one percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. All subclasses of real property, as such subclasses are established in section 4(b) of article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

- (1) For real property in subclass (1), nineteen percent;
- (2) For real property in subclass (2), twelve percent; and
- (3) For real property in subclass (3), thirty-two percent.

6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. A manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. A manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home has been converted to real property in compliance with section 700.111, RSMo, and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home has been converted to real property in compliance with section 700.111, RSMo, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. In the absence of a listing for a particular motor vehicle in such

publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. The provisions of subsections 11 and 12 of this section shall only apply in any county with a charter form of government with more than one million inhabitants.

14. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

15. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section

137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

16. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 15 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

Further amend said bill, Section 144.030, Page 18, Line 271, by inserting after all of said line the following:

“144.054. 1. As used in this section, the following terms mean:

(1) “Processing”, any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(2) “Recovered materials”, those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product, or used or consumed in the processing of recovered materials, or used in research and development related to manufacturing, processing, compounding, mining, or producing any product. The exemptions granted in this subsection shall not apply to local sales taxes as defined in section 32.085, RSMo, and the provisions of this subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.

3. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, all utilities, machinery, and equipment used or consumed directly in television or radio broadcasting and all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a defense contract with the United States government, and all sales and leases of tangible personal property by any county, city, incorporated town, or village, provided such sale or lease is authorized under chapter 100, RSMo, and such transaction is certified for sales tax exemption by the department of economic development, and tangible personal property used for railroad infrastructure brought into this state for processing, fabrication, or other modification for use outside the state in the regular course of business, **and all tangible personal property, including tools, telecommunications equipment, power production and transmission machinery and equipment and data processing**

machinery and equipment, and any other tools, materials, machinery, or equipment used or consumed in an enhanced enterprise zone designated as such a zone for a certified site zone as defined in subdivision (4) of section 135.950.

4. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669, RSMo.

144.810. 1. As used in this section, unless the context clearly indicates otherwise, the following terms shall mean:

(1) “Commencement of commercial operations”, shall be deemed to occur during the first calendar year for which the data storage center or server farm facility is first available for use by the operating taxpayer, or first capable of being used by the operating taxpayer, as a data storage center or server farm facility;

(2) “Constructing taxpayer”, where more than one taxpayer is responsible for a project, a taxpayer responsible for the purchase or construction of the facility, as opposed to a taxpayer responsible for the equipping and ongoing operations of the facility;

(3) “Data storage center” or “server farm facility” or “facility”, a facility purchased, constructed, extended, improved or operating under this section, provided that such business facility is engaged in:

(a) Data processing, hosting, and related services (NAICS 518210); or

(b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility;

(4) “Existing facility”, a data storage center or server farm facility in this state as it existed prior to August 28, 2010, as determined by the department;

(5) “Expanding facility” or “expanding data storage center or server farm facility”, an existing facility or replacement facility that expands its operations in this state on or after August 28, 2010, and has net new investment related to the expansion of operations in this state of at least one million dollars during a period of up to twelve consecutive months. An expanding facility shall continue to be an expanding facility regardless of a subsequent change in or addition of operating taxpayers or constructing taxpayers;

(6) “Expanding facility project” or “expanding data storage center or server farm facility project”, the purchase, construction, extension, improvement equipping and operation of an expanding facility;

(7) “NAICS”, the 2007 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group or industry identified in this section shall include its corresponding

classification in previous and subsequent federal industry classification systems;

(8) “New facility” or “new data storage center or server farm facility”, a facility in this state meeting the following requirements:

(a) The facility is acquired by, or leased to, an operating taxpayer on or after August 28, 2010. A facility shall be deemed to have been acquired by, or leased to, an operating taxpayer on or after August 28, 2010, if the transfer of title to an operating taxpayer, the transfer of possession pursuant to a binding contract to transfer title to an operating taxpayer, or the commencement of the term of the lease to an operating taxpayer occurs on or after August 28, 2010, or, if the facility is constructed, erected or installed by or on behalf of an operating taxpayer, such construction, erection or installation is commenced on or after August 28, 2010;

(b) If such facility was acquired by an operating taxpayer from another person or persons on or after August 28, 2010, and such facility was employed prior to August 28, 2010, by any other person or persons in the operation of a data storage center or server farm facility, the facility shall not be considered a new facility;

(c) Such facility is not a replacement facility, as defined in subdivision (12) of this section;

(d) The new facility project investment is at least five million dollars during a period of up to thirty-six consecutive months. Where more than one taxpayer is responsible for a project, the investment requirement may be met by an operating taxpayer, a constructing taxpayer or a combination of constructing taxpayers and operating taxpayers; and

(e) A new facility shall continue to be a new facility regardless of a subsequent change in or addition of operating taxpayers or constructing taxpayers;

(9) “New data storage center or server farm facility project” or “new facility project”, the purchase, construction, extension, improvement equipping and operation of a new facility;

(10) “Operating taxpayer”, where more than one taxpayer is responsible for a project, a taxpayer responsible for the equipping and ongoing operations of the facility, as opposed to a taxpayer responsible for the purchasing or construction of the facility;

(11) “Project taxpayers”, each constructing taxpayer and each operating taxpayer for a data storage center or server farm facility project;

(12) “Replacement facility” or “replacement data storage center or server farm facility”, a facility in this state otherwise described in subdivision (8) of this section, but which replaces another facility located within the state, which the taxpayer or a related taxpayer previously operated but discontinued operating within one year prior to the commencement of commercial operations at the new facility;

(13) “Taxpayer”, the purchaser of tangible personal property or a service that is subject to state or local sales or use tax and from whom state or local sales or use tax is owed. Taxpayer shall not mean the seller charged by law with collecting the sales tax from the purchaser.

2. Beginning August 28, 2010, in addition to the exemptions granted under this chapter, there shall also be specifically exempted from state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235:

(1) All electrical energy, gas, water, and other utilities including telecommunication services used in a new data storage center or server farm facility;

(2) All machinery, equipment, and computers used in any new data storage center or server farm facility; and

(3) All sales at retail of tangible personal property and materials for the purpose of constructing, repairing, or remodeling any new data storage center or server farm facility.

3. Any data storage center and server farm facility project seeking a tax exemption under subsection 2 of this section shall submit a project plan to the department of economic development, including identifying each known constructing taxpayer and each known operating taxpayer for the project. The department of economic development shall determine whether the project is eligible for the exemption under subsection 2 of this section conditional upon subsequent verification by the department that the project meets the requirement in paragraph (d) of subdivision (8) of subsection 1 of this section of at least five million dollars of new facility investment over a time period not to exceed thirty-six consecutive months. The department of economic development shall convey such conditional approval to the department of revenue and the identified project taxpayers. After a conditionally approved new facility project has met the investment amount, the project taxpayers shall provide proof of such investment to the department of economic development. Upon verification of such proof, the department of economic development shall certify the project to the department of revenue as being eligible for the exemption dating retroactively to the first day of the thirty-six month period or the first day of the new investment in the event the investment is met in less than thirty-six months. The department of revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of the thirty-six month period, or the first day of the new investment in the event the investment is met in less than thirty-six months, shall issue a refund of sales taxes paid as set forth in this section to each operating taxpayer and each constructing taxpayer and issue a certificate of exemption to each new project taxpayer for ongoing exemptions under subdivisions (1), (2), and (3) of subsection 2 of this section.

4. Beginning August 28, 2010, in addition to the exemptions granted under this chapter, there shall also be specifically exempted from state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235:

(1) All electrical energy, gas, water, and other utilities including telecommunication services used in an expanding data storage center or server farm facility which, on an annual basis, exceeds the amount of electrical energy, gas, water, and other utilities including telecommunication services used in the existing facility or the replaced facility prior to the expansion. Amount shall be measured in kilowatt hours, gallons, cubic feet or other measures applicable to a utility service as opposed to in dollars, to account for increases in rates;

(2) All machinery, equipment, and computers used in any expanding data storage center or server farm facility, the cost of which, on an annual basis, exceeds the average of the previous three years' expenditures on machinery, equipment, and computers at the existing facility or the replaced facility prior to the expansion. Existing facilities or replaced facilities in existence for less than three years shall have the average expenditures calculated based upon the applicable time of existence; and

(3) All sales at retail of the tangible personal property and materials for the purpose of constructing, repairing, or remodeling any expanding data storage center or server farm facility.

5. Any data storage center and server farm facility project seeking a tax exemption under subsection 4 of this section shall submit an expanding project plan to the department of economic development, including identifying each known constructing taxpayer and each known operating taxpayer for the project. The project applicants shall also provide proof satisfactory to the department of economic development that the facility is an expanding facility and has net new investment related to the expansion of operations in this state of at least one million dollars during a time period not to exceed twelve consecutive months. Upon verification of such proof, the department of economic development shall certify the project to the department of revenue as being eligible for the exemption. The department of revenue shall issue a certificate of exemption to each expanding project taxpayer for ongoing exemptions under subdivisions (1), (2) and (3) of subsection 4 of this section.

6. The sales tax exemptions in subsections 2 and 4 of this section shall be tied to the new or expanding facility project. A certificate of exemption in the hands of a taxpayer that is no longer an operating or constructing taxpayer of the new or expanding facility project shall be invalid as of the date the taxpayer was no longer an operating or constructing taxpayer of the new or expanding facility project. New certificates of exemption shall be issued to successor constructing taxpayers and operating taxpayers at such new or expanding facility projects. The right to the exemption by successor taxpayers shall exist without regard to subsequent levels of investment in the new or expanding facility by successor taxpayers.

7. The department of economic development and the department of revenue shall cooperate in conducting random audits to make certain the intent of this section is followed.

8. The department of economic development and the department of revenue shall jointly prescribe such rules and regulations necessary to carry out the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2010, shall be invalid and void.”; and

Further amend said Bill, Section 144.817, Page 19, Line 18, by inserting the following after all of said Line:

“620.1910. 1. This section shall be known and may be cited as the “Manufacturing Jobs Act”.

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

(1) **“Approval”, a document submitted by the department to the qualified manufacturing facility or qualified supplier that states the benefits that may be provided under this section;**

(2) **“Capital investment”, expenditures made by a qualified manufacturing company to retool or reconfigure a manufacturing facility directly related to the manufacturing of a new product;**

(3) **“County average wage”, the same meaning as provided under section 620.1878;**

(4) **“Department”, the department of economic development;**

(5) “Facility”, a building or buildings located in Missouri at which the new product is manufactured;

(6) “Full-time job”, a job for which a person is compensated for an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified manufacturing company or qualified supplier offers health insurance and pays at least fifty percent of such insurance premiums;

(7) “NAICS industry classification”, the 1997 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget;

(8) “New job”, the same meaning as provided under section 620.1878;

(9) “New product”, a new model or line of a manufactured good that has not been manufactured in Missouri by the qualified manufacturing company at any time prior to the date of the notice of intent;

(10) “Notice of intent”, a form developed by the department, completed by the qualified manufacturing company or qualified supplier and submitted to the department which states the qualified manufacturing company’s or qualified supplier’s intent to create new jobs or retain current jobs and make additional capital investment, as applicable, and request benefits under this section. The notice of intent shall specify the minimum number of such new or retained jobs and the minimum amount of such capital investment;

(11) “Private funds”, financing sources of the qualified manufacturing company for the retention or creation of jobs or capital investment which shall include equity or loans that require repayment and are from sources other than guaranteed funds directly attributed to the capital investment granted by Missouri or one or more of its local political subdivisions;

(12) “Qualified manufacturing company”, a business that: @ (a) Manufactures goods at a facility in Missouri;

(b) Derives more than ten percent of the facility’s total annual sales from goods produced at the facility which are exported outside the United States or sold to the federal government for export outside the United States or that derives more than twenty percent of total annual sales of the facility from goods produced at the facility which are exported outside the state of Missouri;

(c) Commits to make a capital investment of at least one hundred thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax pursuant to this section;

(d) Manufactures a new product or has commenced making capital improvements to the facility necessary for the manufacturing of such new product; and

(e) Continues to meet the requirements of paragraphs (a) to (d) of this subdivision for a period of at least ten years from the date of the notice of intent;

(13) “Qualified supplier”, a manufacturing company that: @ (a) Attests to the department that it derives more than ten percent of the total annual sales of the company from sales to a qualified manufacturing facility;

(b) Adds five or more new jobs;

(c) Pays wages for such new jobs that are equal to or exceed the lower of the county average wage or the industry average wage for Missouri as determined by the department using NAICS industry classifications, but not lower than sixty percent of the statewide average wage; and

(d) Provides health insurance to employees and pays at least fifty percent of the premiums of such insurance;

(14) “Retained job”, the number of full-time jobs of persons employed by the qualified manufacturing company located at the project facility that existed as of the last working day of the month immediately preceding the month in which notice of intent is submitted;

(15) “Statewide average wage”, an amount equal to the quotient of the sum of the total gross wages paid for the corresponding four calendar quarters divided by the average annual employment for such four calendar quarters, which shall be computed using the Quarterly Census of Employment and Wages Data for all Private Ownership Businesses in Missouri, as published by the Bureau of Labor Statistics of the United States Department of Labor;

(16) “Total annual sales”, the denominator of the sales apportionment fraction reported on the Missouri tax return filed by the qualified manufacturing company or the qualified supplier for taxes imposed under chapter 143;

(17) “Withholding period”, the ten year period in which a qualified manufacturing company may receive benefits under this section;

(18) “Withholding tax”, the same meaning as provided under section 620.1878.

3. The department shall respond within thirty days to a qualified manufacturing company or a qualified supplier who provides a notice of intent with either an approval or a rejection of the notice of intent. Failure to respond on behalf of the department shall result in the notice of intent being deemed an approval for the purposes of this section.

4. A qualified manufacturing company may, upon the department’s approval of a notice of intent and the execution of an agreement that meets the requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain fifty percent of the withholding tax from full-time jobs at the facility for a period of ten years. Except as otherwise allowed under subsection 7 of this section, the commencement of the withholding period may be delayed by no more than twenty-four months after execution of the agreement at the option of the qualified manufacturing company. Such qualified manufacturing company shall be eligible for participation in the Missouri quality jobs program under sections 620.1875 to 620.1890 for any new jobs for which it does not retain withholding tax pursuant to this section, provided all qualifications for such program are met.

5. A qualified supplier may, upon approval of a notice of intent by the department, retain all withholding tax from new jobs for a period of three years from the date of approval of the notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to or greater than one hundred twenty percent of county average wage. Notwithstanding any provision of law to the contrary, a qualified supplier that is awarded benefits under this section shall not receive any tax credit or exemption or be entitled to retain withholding under sections 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, sections 135.900 to 135.906, sections

135.950 to 135.970, or section 620.1881 for the same jobs.

6. Notwithstanding any other provision of this section, the maximum amount of withholding tax that may be retained by any one qualified manufacturing company pursuant to this section shall not exceed ten million dollars per calendar year. The aggregate amount of withholding tax that may be retained by all qualified manufacturing companies pursuant to this section shall not exceed fifteen million dollars per calendar year.

7. Notwithstanding any provision of law to the contrary, any qualified manufacturing company that is awarded benefits under this section shall not simultaneously receive tax credits or exemptions under sections 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 for the jobs created or retained or capital improvement which qualified for benefits under this section. The benefits available to the qualified manufacturing company under any other state programs for which the qualified manufacturing company is eligible and which utilize withholding tax from the jobs at the facility shall first be credited to the other state program before the applicable withholding period for benefits provided under this section shall begin. These other state programs shall include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, the job retention program under sections 178.760 to 178.764, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any qualified manufacturing company also participates in the new jobs training program in sections 178.892 to 178.896, such qualified manufacturing company shall not retain any withholding tax that has already been allocated for use in the new jobs training program. Any taxpayer who is awarded benefits under this section who knowingly hires individuals who are not allowed to work legally in the United States shall immediately forfeit such benefits and shall repay the state an amount equal to any withholding taxes already retained. Subsection 5 of section 285.530 shall not apply to taxpayers awarded benefits under this program.

8. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2010, shall be invalid and void.

9. Within six months of completion of a notice of intent required under this section, the qualified manufacturing company shall enter into an agreement with the department that memorializes the contents of the notice of intent, the requirements of this section, and the consequences for failing to meet such requirements, which shall include the following:

(1) If the number of full-time jobs of the qualified manufacturing company at the facility falls below the number of full-time jobs specified within the notice of intent at any time during the withholding period, or if the amount of capital investment made by the qualified manufacturing company is not made within the two-year period provided for such investment, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs

at the facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period. In addition, the qualified manufacturing company shall repay any amounts of withholding tax retained plus interest of five percent per annum. However, in the event that such employment shortfall is due to economic conditions beyond the control of the qualified manufacturing company, the director may, at the qualified manufacturing company's request, suspend rather than terminate its privilege to retain withholding tax pursuant to this section for up to three years. Any such suspension shall extend the withholding period by the same amount of time. No more than one such suspension shall be granted to a qualified manufacturing company;

(2) If the qualified manufacturing company discontinues the manufacturing of the new product and does not replace it with a subsequent or additional new product manufactured at the facility at any time during the withholding period, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at that facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.

10. Prior to March first each year, the department shall provide a report to the general assembly including the names of participating qualified manufacturing companies or qualified suppliers, location of facilities or suppliers, the annual amount of benefits provided, the estimated net state fiscal impact including direct and indirect new state taxes derived, and the number of new jobs created or jobs retained.

11. Under section 23.253, of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Emergency clause defeated.

In which the concurrence of the Senate is respectfully requested.

REPORTS OF STANDING COMMITTEES

Senator Purgason, Chairman of the Committee on Governmental Accountability and Fiscal Oversight, submitted the following report:

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which was referred **SS** for **SCS** for **HB 2111**, begs leave to report that it has considered the same and recommends that the bill do pass.

HOUSE BILLS ON THIRD READING

HB 1559, introduced by Representative Brown (30), entitled:

An Act to repeal section 182.647, RSMo, and to enact in lieu thereof one new section relating to library

reports.

Was taken up by Senator Shields.

On motion of Senator Shields, **HB 1559** was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Griesheimer	Justus	Keaveny	Lager
Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp
Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson

Wright-Jones—33

NAYS—Senators—None

Absent—Senator Green—1

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Shields, title to the bill was agreed to.

Senator Shields moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

On motion of Senator Engler, the Senate recessed until 4:00 p.m.

RECESS

The time of recess having expired, the Senate was called to order by Senator Pearce.

Senator Engler announced that photographers from KMIZ-TV were given permission to take pictures in the Senate Chamber today.

PRIVILEGED MOTIONS

Senator Cunningham moved that **SCS** for **SB 630**, with **HA 1** and **HA 2**, be taken up for 3rd reading and final passage, which motion prevailed.

HA 1 was taken up.

Senator Cunningham moved that the above amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel

Wilson—33

NAYS—Senators—None

Absent—Senator Wright-Jones—1

Absent with leave—Senators—None

Vacancies—None

HA 2 was taken up.

Senator Cunningham moved that the above amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Cunningham, **SCS for SB 630**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Cunningham, title to the bill was agreed to.

Senator Cunningham moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

Bill ordered enrolled.

Senator Rupp moved that **SCS** for **SB 942**, with **HCS**, be taken up for 3rd reading and final passage, which motion prevailed.

HCS for **SCS** for **SB 942**, entitled:

HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 942

An Act to amend chapters 71 and 79, RSMo, by adding thereto two new sections relating to the annexation of property within research, development, and office park projects.

Was taken up.

Senator Rupp moved that **HCS** for **SCS** for **SB 942** be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Rupp, **HCS** for **SCS** for **SB 942** was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Crowell	Cunningham	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp
Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson
Wright-Jones—33							

NAYS—Senators—None

Absent—Senator Clemens—1

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Rupp, title to the bill was agreed to.

Senator Rupp moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

Bill ordered enrolled.

Senator Shields moved that **SCS** for **SB 644**, with **HA 1**, **HA 2** and **HA 3**, be taken up for 3rd reading and final passage, which motion prevailed.

HA 1 was taken up.

Senator Shields moved that the above amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Crowell	Cunningham	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp
Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson

Wright-Jones—33

NAYS—Senators—None

Absent—Senator Clemens—1

Absent with leave—Senators—None

Vacancies—None

HA 2 was taken up.

Senator Shields moved that the above amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp	Schaefer
Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—32

NAYS—Senators

Cunningham Lembke—2

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

HA 3 was taken up.

Senator Shields moved that the above amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Days
Dempsey	Engler	Goodman	Griesheimer	Justus	Keaveny	Lager	Lembke
Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway	Rupp	Schaefer
Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—32

NAYS—Senator Cunningham—1

Absent—Senator Green—1

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Shields, **SCS** for **SB 644**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Days
Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny	Lager
Mayer	McKenna	Nodler	Pearce	Ridgeway	Rupp	Schaefer	Schmitt
Scott	Shields	Shoemyer	Stouffer	Vogel	Wilson	Wright-Jones—31	

NAYS—Senators

Cunningham	Lembke	Purgason—3
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Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Shields, title to the bill was agreed to.

Senator Shields moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

Bill ordered enrolled.

Senator Dempsey assumed the Chair.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 741**, entitled:

An Act to repeal sections 28.190, 29.280, 30.060, 30.070, 30.080, 105.030, 105.040, 105.050, and 115.124, RSMo, and to enact in lieu thereof eleven new sections relating to qualifications for public office.

With House Amendment Nos. 1, 2 and 3.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Bill No. 741, Section 115.124, Page 5, Line 25 by inserting after all of said Line the following:

“3. Whenever an election is not held as provided in this section, the jurisdiction cancelling the election shall publish in a newspaper of general circulation within the jurisdiction information stating that the election has been cancelled and a candidate will assume the responsibilities of the office as provided by this section. The information shall include the name or names of each candidate who will assume office. The costs of publication shall be paid by the jurisdiction cancelling the election.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Bill No. 741, Page 3, Section 30.080, Line 7, by inserting after all of said line the following:

“78.090. **1.** Candidates to be voted for at all general municipal elections at which a mayor and councilmen are to be elected under the provisions of sections 78.010 to [78.420] **78.400** shall be nominated by a primary election, **except as provided in this section**, and no other names shall be placed upon the general ballot except those selected in the manner herein prescribed. The primary election for such nomination shall be held on the first Tuesday after the first Monday in February preceding the municipal election.

2. (1) In lieu of conducting a primary election under this section, any city organized under sections 78.010 to 78.400 may, by order or ordinance, provide for the elimination of the primary election and the conduct of elections for mayor and councilman as provided in this subsection.

(2) Any person desiring to become a candidate for mayor or councilman shall file with the city clerk a signed statement of such candidacy, stating whether such person is a resident of the city and a qualified voter of the city, that the person desires to be a candidate for nomination to the office of mayor or councilman to be voted upon at the next municipal election for such office, that the person is eligible for such office, that the person requests to be placed on the ballot, and that such person will serve if elected. Such statement shall be sworn to or affirmed before the city clerk.

(3) Under the requirements of section 115.023, the city clerk shall notify the requisite election authority who shall cause the official ballots to be printed, and the names of the candidates shall appear on the ballots in the order that their statements of candidacy were filed with the city clerk.

Above the names of the candidates shall appear the words “Vote for (number to be elected)”. The ballot shall also include a warning that voting for more than the total number of candidates to be elected to any office invalidates the ballot.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Bill No. 741, Page 7, Section 30.070, Line 4, by inserting after all of said line the following:

“[115.241. Each party emblem shall be printed on the ballot above the party caption.]”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS for SCS for SB 777**, entitled:

An Act to repeal sections 408.052, 408.140, 408.233, and 408.300, RSMo, and to enact in lieu thereof five new sections relating to the sale of certain financial products and plans associated with certain loan transactions, with penalty provisions for a certain section.

With House Amendment Nos. 2 and 3, House Amendment No. 1 to House Amendment No. 4 and House Amendment No. 4, as amended.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777, Page 1, Section A, Line 3, by inserting after all of said line the following:

“362.111. **1.** A bank or trust company may impose fees or service charges on deposit accounts; however, such fees or service charges are subject to such conditions or requirements that may be fixed by regulations pursuant to section 361.105, RSMo, by the director of the division of finance and the state banking board. Notwithstanding any law to the contrary, no such condition or requirement shall be more restrictive than the fees or service charges on deposit accounts or similar accounts permitted any federally chartered depository institution.

2. An agreement to operate or share an automated teller machine shall not prohibit an owner or operator of the automated teller machine from imposing, on an individual who conducts a transaction using a foreign account, an access fee or surcharge that is not otherwise prohibited under federal or state law.

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

(1) “Automated teller machine”, any electronic device, wherever located, through which a consumer may initiate an electronic funds transfer or may order, instruct, or authorize a financial institution to debit or credit an account and includes any machine or device which may be used to carry out electronic banking business. “Automated teller machine” does not include point of sale terminals or telephones or personal computers operated by a consumer;

(2) “Foreign account”, an account with a financial institution located outside the United States.”;

and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777, Page 1, Section A, Line 3, by inserting immediately after said line the following:

339.503. As used in sections 339.500 to 339.549, the following words and phrases mean, unless the context clearly indicates otherwise:

(1) “Appraisal” or “real estate appraisal”, an objective analysis, evaluation, opinion, or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis;

(2) “Appraisal assignment”, an engagement for which a person is employed or retained to act as a disinterested third party in rendering an objective appraisal;

(3) “Appraisal foundation”, the organization of the same name that was incorporated as an Illinois not-for-profit corporation on November 20, 1987, whose operative boards are the appraisal standards board and the appraiser qualifications board;

(4) “Appraisal report”, any communication, written or oral, of an appraisal. The purpose of an appraisal is immaterial, therefore valuation reports, real estate counseling reports, real estate tax counseling reports, real estate offering memoranda, mortgage banking offers, highest and best use studies, market demand and economic feasibility studies and all other reports communicating an appraisal analysis, opinion or conclusion are appraisal reports, regardless of title;

(5) “Appraisal standards board (ASB)”, the independent board of the appraisal foundation which promulgates the generally accepted standards of the appraisal profession and the uniform standards of professional appraisal practices;

(6) “Appraiser qualifications board (AQB)”, the independent board of the appraisal foundation which establishes minimum experience, education and examination criteria for state licensing of appraisers;

(7) “Boat dock”, a structure for loading and unloading boats and connecting real property to water, public or private. A boat dock is real property and has riparian rights, provided:

(a) The lender includes the boat dock as a fixture both in the lender’s deed of trust and a uniform commercial code fixture filing under section 400.9-502, RSMo;

(b) The boat dock is attached to the real property by steel cable, bar, or chain that is permanently imbedded in concrete or rock, and otherwise securely attached to the dock; and

(c) The owner of the dock has riparian rights by means of real estate rights bordering the body of water, including such rights by license, grant, or other means allowing access to the body of water, which access may be seasonal because the water may be reduced for electric power production or flood control;

(8) “Boat slip or watercraft slip”, a defined area of water, including the riparian rights to use such area, whether by grant, lease, or license, in accordance with all applicable laws and regulations, which is a part of a boat dock serving a common interest community, including by way of example and not of limitation, condominiums and villas; and the exclusive right to such use being allocated as a limited

common element or being assigned to an owner of real estate in the common interest community in which the boat dock is located, whether by grant, lease, or otherwise. The rights of the real estate owner in such slip are included as collateral in any deed of trust and uniform commercial code filing of a lender, if any, taking a security interest in the owner's real estate;

(8) "Broker price opinion", an opinion of value, prepared by a real estate licensee for a fee, that includes, but is not limited to, analysis of competing properties, comparable sold properties, recommended repairs and costs or suggested marketing techniques. A broker price opinion is not an appraisal and shall specifically state it is not an appraisal;

(9) "Certificate", the document issued by the Missouri real estate appraisers commission evidencing that the person named therein has satisfied the requirements for certification as a state-certified real estate appraiser and bearing a certificate number assigned by the commission;

(10) "Certificate holder", a person certified by the commission pursuant to the provisions of sections 339.500 to 339.549;

(11) "Certified appraisal report", an appraisal prepared or signed by a state-certified real estate appraiser. A certified appraisal report represents to the public that it meets the appraisal standards defined in sections 339.500 to 339.549;

(12) "Commission", the Missouri real estate appraisers commission, created in section 339.507;

(13) "Comparative market analysis", the analysis of sales of similar recently sold properties in order to derive an indication of the probable sales price of a particular property undertaken by a licensed real estate broker or agent, for his or her principal. A comparative market analysis is not an appraisal and shall specifically state it is not an appraisal;

(14) "Disinterested third party" shall not exclude any state-certified real estate appraiser or state-licensed real estate appraiser employed or retained by any bank, savings association, credit union, mortgage banker or other lender to perform appraisal assignments, provided that the appraisal assignments are rendered with respect to loans to be extended by the bank, savings association, credit union, mortgage banker or other lender, and provided further that the state-certified real estate appraiser or state-licensed real estate appraiser is not requested or required to report a predetermined analysis or opinion of value;

(15) "License" or "licensure", a license or licensure issued pursuant to the provisions of sections 339.500 to 339.549 evidencing that the person named therein has satisfied the requirements for licensure as a state-licensed real estate appraiser and bearing a license number assigned by the commission;

(16) "Real estate", an identified parcel or tract of land, including improvements, if any;

(17) "Real estate appraiser" or "appraiser", a person who for a fee or valuable consideration develops and communicates real estate appraisals or otherwise gives an opinion of the value of real estate or any interest therein;

(18) "Real estate appraising", the practice of developing and communicating real estate appraisals;

(19) "Real property", the interests, benefits and rights inherent in the ownership of real estate;

(20) "Residential real estate", any parcel of real estate, improved or unimproved, that is primarily residential in nature and that includes or is intended to include a residential structure containing not more than four dwelling units and no other improvements except those which are typical residential improvements

that support the residential use for the location and property type. A residential unit is a condominium, town house or cooperative complex, or a planned unit development is considered to be residential real estate. Subdivisions are not considered residential real estate. Individual parcels of property located within a residential subdivision shall be considered residential property;

(21) “Specialized appraisal services”, appraisal services which do not fall within the definition of appraisal assignment. The term “specialized services” may include valuation work and analysis work. Regardless of the intention of the client or employer, if the appraiser is acting as a disinterested third party in rendering an unbiased analysis, opinion or conclusion, the work is classified as an appraisal assignment and not specialized services;

(22) “State-certified general real estate appraiser”, a person who holds a current, valid certificate as a state-certified general real estate appraiser issued pursuant to the provisions of sections 339.500 to 339.549;

(23) “State-certified residential real estate appraiser”, a person who holds a current, valid certificate as a state-certified residential real estate appraiser issued pursuant to the provisions of sections 339.500 to 339.549;

(24) “State-licensed real estate appraiser”, a person who holds a current, valid license as a state-licensed real estate appraiser pursuant to the provisions of sections 339.500 to 339.549;

(25) “Subdivision”, a tract of land that has been divided into blocks or plots with streets, roadways, open areas and other facilities appropriate to its development as residential, commercial or industrial sites;

(26) “Temporary appraiser licensure or certification”, the issuance of a temporary license or certificate by the commission to a person licensed or certified in another state who enters this state for the purpose of completing a particular appraisal assignment.; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 4

Amend House Amendment No. 4 to House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777, Page 3, Line 24, by inserting after all of said line the following:

“375.1152. For purposes of sections 375.570 to 375.750 and 375.1150 to 375.1246, the following words and phrases shall mean:

(1) “Allocated loss adjustment expenses”, those fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of an individual claim or loss or to the protection and perfection of the subrogation rights of any insolvent insurer arising out of a policy of insurance issued by the insolvent insurer. “Allocated loss adjustment expenses” shall include all court costs, fees and expenses; fees for service of process; fees to attorneys; costs of undercover operative and detective services; fees of independent adjusters or attorneys for investigation or adjustment of claims beyond initial investigation; costs of employing experts for preparation of maps, photographs, diagrams, chemical or physical analysis or for advice, opinion or testimony concerning claims under investigation or in litigation; costs for legal transcripts or testimony taken at coroner’s inquests, criminal or civil proceedings; costs for copies of any public records; costs of depositions and court-reported or -recorded statements. “Allocated loss adjustment expenses” shall not include the salaries of officials, administrators or other employees or normal overhead charges such as rent, postage, telephone, lighting, cleaning, heating or similar expenses;

(2) “Ancillary state”, any state other than a domiciliary state;

(3) “Creditor”, a person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent;

(4) “Delinquency proceeding”, any proceeding instituted against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer, and any summary proceeding under sections 375.1160, 375.1162 and 375.1164;

(5) “Director”, the director of the department of insurance, financial institutions and professional registration;

(6) “Doing business” includes any of the following acts, whether effected by mail or otherwise:

(a) The issuance or delivery of contracts of insurance to persons resident in this state;

(b) The solicitation of applications for such contracts, or other negotiations preliminary to the execution of such contracts;

(c) The collection of premiums, membership fees, assessments, or other consideration for such contracts;

(d) The transaction of matters subsequent to execution of such contracts and arising out of them; or

(e) Operating under a license or certificate of authority, as an insurer, issued by the department of insurance, financial institutions and professional registration;

(7) “Domiciliary state”, the state in which an insurer is incorporated or organized or, in the case of an alien insurer, its state of entry;

(8) “Fair consideration” is given for property or obligation:

(a) When in exchange for such property or obligation, as a fair equivalent thereof, and in good faith, property is conveyed or services are rendered or an obligation is incurred or an antecedent debt is satisfied; or

(b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in an amount not disproportionately small as compared to the value of the property or obligation obtained;

(9) “Foreign country”, any jurisdiction not in the United States;

(10) “Formal delinquency proceeding”, any liquidation or rehabilitation proceeding;

(11) “General assets”, all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, “general assets” includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets;

(12) “Guaranty association”, the Missouri property and casualty insurance guaranty association created by sections 375.771 to 375.779, as amended, the Missouri life and health insurance guaranty association created by sections 376.715 to 376.758, RSMo, as amended, and any other similar entity now or hereafter created by the laws of this state for the payment of claims of insolvent insurers. “Foreign guaranty association” means any similar entities now in existence or hereafter created by the laws of any other state;

(13) “Insolvency” or “insolvent” means:

(a) For an insurer issuing only assessable fire insurance policies:

a. The inability to pay an obligation within thirty days after it becomes payable; or

b. If an assessment be made within thirty days after such date, the inability to pay such obligation thirty days following the date specified in the first assessment notice issued after the date of loss;

(b) For any other insurer, that it is unable to pay its obligations when they are due, or when its admitted assets do not exceed its liabilities plus the greater of:

a. Any capital and surplus required by law for its organization; or

b. The total par or stated value of its authorized and issued capital stock;

(c) As to any insurer licensed to do business in this state as of August 28, 1991, which does not meet the standards established under paragraph (b) of this subdivision, the term “insolvency” or “insolvent” shall mean, for a period not to exceed three years from August 28, 1991, that it is unable to pay its obligations when they are due or that its admitted assets do not exceed its liabilities plus any required capital contribution ordered by the director under any other provisions of law;

(d) For purposes of this subdivision “liabilities” shall include but not be limited to reserves required by statute or by the department of insurance, financial institutions and professional registration regulations or specific requirements imposed by the director upon a subject company at the time of admission or subsequent thereto;

(e) For purposes of this subdivision, an obligation is payable within ninety days of the resolution of any dispute regarding the obligation;

(14) “Insurer”, any person who has done, purports to do, is doing or is licensed to do insurance business as described in section 375.1150, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by, any insurance department of any state. For purposes of sections 375.1150 to 375.1246, any other persons included under section 375.1150 shall be deemed to be insurers;

(15) “**Netting agreement**”:

(a) A contract or agreement, including terms and conditions incorporated by reference therein, including a master agreement which master agreement, together with all schedules, confirmations, definitions and addenda thereto and transactions under any thereof, shall be treated as one netting agreement, that documents one or more transactions between the parties to the agreement for or involving one or more qualified financial contracts and that provides for the netting, liquidation, setoff, termination, acceleration or close out under or in connection with one or more qualified financial contracts or present or future payment or delivery obligations or payment or delivery entitlements thereunder, including liquidation or close-out values relating to such obligations or entitlements, among the parties to the netting agreement;

(b) Any master agreement or bridge agreement for one or more master agreements described in paragraph (a) of this subdivision; or

(c) Any security agreement or arrangement or other credit enhancement or guarantee or reimbursement obligation related to any contract or agreement described in paragraph (a) or (b) of

this subdivision; provided that any contract or agreement described in paragraph (a) or (b) of this subdivision relating to agreements or transactions that are not qualified financial contracts shall be deemed to be a netting agreement only with respect to those agreements or transactions that are qualified financial contracts;

(16) “Preferred claim”, any claim with respect to which the terms of sections 375.1150 to 375.1246 accord priority of payment from the general assets of the insurer;

(17) “Qualified financial contract”, any commodity contract, forward contract, repurchase agreement, securities contract, swap agreement, and any similar agreement that the director determines by regulation, resolution, or order to be a qualified financial contract for the purposes of sections 375.1150 to 375.1246;

(a) “Commodity contract”, shall mean:

a. A contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a board of trade or contract market under the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., or a board of trade outside the United States;

b. An agreement that is subject to regulation under Section 19 of the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., and that is commonly known to the commodities trade as a margin account, margin contract, leverage account, or leverage contract;

c. An agreement or transaction that is subject to regulation under Section 4c(b) of the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., and that is commonly known to the commodities trade as a commodity option;

d. Any combination of the agreements or transactions referred to in this paragraph; or

e. Any option to enter into an agreement or transaction referred to in this paragraph;

(b) “Forward contract”, “repurchase agreement”, “securities contract”, and “swap agreement” shall have the meaning set forth in the Federal Deposit Insurance Act, 12 U.S.C. Section 1821(e)(8)(D), as amended;

[(16)] (18) “Receiver”, a receiver, liquidator, administrative supervisor, rehabilitator or conservator, as the context requires;

[(17)] (19) “Reciprocal state”, any state other than this state in which in substance and effect, provisions substantially similar to subsection 1 of section 375.1176 and sections 375.1235, 375.1236, 375.1240, 375.1242 and 375.1244 have been enacted and are in force, and in which laws are in force requiring that the director of the state department of insurance, financial institutions and professional registration or equivalent official be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers;

[(18)] (20) “Secured claim”, any claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise, including a pledge of assets allocated to a separate account established pursuant to section 376.309, RSMo; but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process;

[(19)] (21) “Special deposit claim”, any claim secured by a deposit made pursuant to statute for the

security or benefit of a limited class or classes of persons, but not including any claim secured by general assets;

[(20)] (22) “State”, any state, district, or territory of the United States and the Panama Canal Zone;

[(21)] (23) “Transfer” shall include the sale and every other and different mode, direct or indirect, of disposing of or of parting with property or with an interest therein, or with the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by the debtor.

375.1155. 1. Any receiver appointed in a proceeding under sections 375.1150 to 375.1246 may at any time apply for, and any court of general jurisdiction may grant, such restraining orders, preliminary and permanent injunctions, and other orders as may be deemed necessary and proper to prevent:

- (1) The transaction of further business;
- (2) The transfer of property;
- (3) Interference with the receiver or with a proceeding under sections 375.1150 to 375.1246;
- (4) Waste of the insurer’s assets;
- (5) Dissipation and transfer of bank accounts;
- (6) The institution or further prosecution of any actions or proceedings;
- (7) The obtaining of preferences, judgments, attachments, garnishments or liens against the insurer, its assets or its policyholders;
- (8) The levying of execution against the insurer, its assets or its policyholders;
- (9) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;
- (10) The withholding from the receiver of books, accounts, documents, or other records relating to the business of the insurer; or
- (11) Any other threatened or contemplated action that might lessen the value of the insurer’s assets or prejudice the rights of policyholders, creditors or shareholders, or the administration of any proceeding under this act.

2. The receiver may apply to any court outside of the state for the relief described in subsection 1 of this section.

3. Notwithstanding anything to the contrary in this section, the commencement of a delinquency proceeding under sections 375.1150 to 375.1246 shall not operate as a stay or prohibition of any right to cause the netting, liquidation, setoff, termination, acceleration, or close out of obligations, or enforcement of any security agreement or arrangement or other credit enhancement or guarantee or reimbursement obligation, under or in connection with any netting agreement or qualified financial contract as provided for in section 375.1191.

375.1191. 1. Notwithstanding any other provision of sections 375.1150 to 375.1246, including any other provision of sections 375.1150 to 375.1246 permitting the modification of contracts, or other law of a state, no person shall be stayed or prohibited from exercising:

(1) A contractual right to cause the termination, liquidation, acceleration, or close out of obligations under or in connection with any netting agreement or qualified financial contract with an insurer because of:

(a) The insolvency, financial condition, or default of the insurer at any time, provided that the right is enforceable under applicable law other than sections 375.1150 to 375.1246; or

(b) The commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246;

(2) Any right under a pledge, security, collateral, reimbursement, or guarantee agreement or arrangement or any other similar security arrangement or arrangement or other credit enhancement relating to one or more netting agreements or qualified financial contracts;

(3) Subject to any provision of section 375.1198, any right to set off or net out any termination value, payment amount, or other transfer obligation arising under or in connection with one or more qualified financial contracts where the counterparty or its guarantor is organized under the laws of the United States or a state or a foreign jurisdiction approved by the Securities Valuation Office (SVO) of the NAIC as eligible for netting; or

(4) If a counterparty to a master netting agreement or a qualified financial contract with an insurer subject to a proceeding under sections 375.1150 to 375.1246 terminates, liquidates, closes out, or accelerates the agreement or contract, damages shall be measured as of the date or dates of termination, liquidation, close out, or acceleration. The amount of a claim for damages shall be actual direct compensatory damages calculated in accordance with subsection 6 of this section.

2. Upon termination of a netting agreement or qualified financial contract, the net or settlement amount, if any, owed by a nondefaulting party to an insurer against which an application or petition has been filed under sections 375.1150 to 375.1246 shall be transferred to or on the order of the receiver for the insurer, even if the insurer is the defaulting party, notwithstanding any walkaway clause in the netting agreement or qualified financial contract. For purposes of this subsection, the term “walkaway clause” means a provision in a netting agreement or a qualified financial contract that, after calculation of a value of a party’s position or an amount due to or from one of the parties in accordance with its terms upon termination, liquidation, or acceleration of the netting agreement or qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of the party’s status as a nondefaulting party. Any limited two-way payment or first method provision in a netting agreement or qualified financial contract with an insurer that has defaulted shall be deemed to be a full two-way payment or second method provision as against the defaulting insurer. Any such property or amount shall, except to the extent it is subject to one or more secondary liens or encumbrances or rights of netting or setoff, be a general asset of the insurer.

3. In making any transfer of a netting agreement or qualified financial contract of an insurer subject to a proceeding under sections 375.1150 to 375.1246, the receiver shall either:

(1) Transfer to one party, other than an insurer subject to a proceeding under sections 375.1150 to 375.1246, all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding, including:

(a) All rights and obligations of each party under each netting agreement and qualified financial contract; and

(b) All property, including any guarantees or other credit enhancement, securing any claims of each party under each netting agreement and qualified financial contract; or

(2) Transfer none of the netting agreements, qualified financial contracts, rights, obligations or property referred to in subdivision (1) of this subsection, with respect to the counterparty and any affiliate of the counterparty.

4. If a receiver for an insurer makes a transfer of one or more netting agreements or qualified financial contracts, then the receiver shall use its best efforts to notify any person who is party to the netting agreements or qualified financial contracts of the transfer by 12:00 noon, the receiver's local time, on the business day following the transfer. For purposes of this subsection, "business day" means a day other than a Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

5. Notwithstanding any other provision of sections 375.1150 to 375.1246, a receiver may not avoid a transfer of money or other property arising under or in connection with a netting agreement or qualified financial contract, or any pledge, security, collateral or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract, that is made before the commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246. However, a transfer may be avoided pursuant to section 375.1192 if the transfer was made with actual intent to hinder, delay or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

6. (1) In exercising the rights of disaffirmance or repudiation of a receiver with respect to any netting agreement or qualified financial contract to which an insurer is a party, the receiver for the insurer shall either:

(a) Disaffirm or repudiate all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding; or

(b) Disaffirm or repudiate none of the netting agreements and qualified financial contracts referred to in paragraph (a) of this subdivision, with respect to the person or any affiliate of the person.

(2) Notwithstanding any other provision of sections 375.1150 to 375.1246, any claim of a counterparty against the estate arising from the receiver's disaffirmance or repudiation of a netting agreement or qualified financial contract that has not been previously affirmed in the liquidation or immediately preceding conservation or rehabilitation case shall be determined and shall be allowed or disallowed as if the claim had arisen before the date of the filing of the petition for liquidation or, if a conservation or rehabilitation proceeding is converted to a liquidation proceeding, as if the claim had arisen before the date of the filing of the petition for conservation or rehabilitation. The amount of the claim shall be the actual direct compensatory damages determined as of the date of the disaffirmance or repudiation of the netting agreement or qualified financial contract. The term "actual direct compensatory damages" does not include punitive or exemplary damages, damages for lost profit or lost opportunity or damages for pain and suffering, but does include normal and reasonable costs of cover or other reasonable measures of damages utilized in the derivatives, securities or other market for the contract and agreement claims.

7. The term “contractual right” as used in this section includes any right set forth in a rule or bylaw of a derivatives clearing organization, as defined in the Commodity Exchange Act, a multilateral clearing organization, as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991, a national securities exchange, a national securities association, a securities clearing agency, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade, as defined in the Commodity Exchange Act, or in a resolution of the governing board thereof and any right, whether or not evidenced in writing, arising under statutory or common law, or under law merchant, or by reason of normal business practice.

8. The provisions of this section shall not apply to persons who are affiliates of the insurer that is the subject of the proceeding.

9. All rights of counterparties under sections 375.1150 to 375.1246 shall apply to netting agreements and qualified financial contracts entered into on behalf of the general account or separate accounts if the assets of each separate account are available only to counterparties to netting agreements and qualified financial contracts entered into on behalf of that separate account.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777, Page 1, Section A, Line 3, by inserting after all of said line the following:

“**375.539. 1. The director of the department of insurance, financial institutions and professional registration may deem an insurance company to be in such financial condition that its further transaction of business would be hazardous to policyholders, creditors, and the public, if such company is a property or casualty insurer, or both a property and casualty insurer, which has in force any policy with any single net retained risk larger than ten percent of that company’s capital and surplus as of the December thirty-first next preceding.**

2. The following standards, either singly or a combination of two or more, may be considered by the director to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous to its policyholders, creditors, or the general public:

(1) Adverse findings reported in financial condition and market conduct examination reports, audit reports, and actuarial opinions, reports, or summaries;

(2) The National Association of Insurance Commissioners Insurance Regulatory Information System and its other financial analysis solvency tools and reports;

(3) Whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;

(4) The ability of an assuming reinsurer to perform and whether the insurer’s reinsurance

program provides sufficient protection for the insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;

(5) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including but not limited to net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent of the insurer's remaining surplus as regards to policyholders in excess of the minimum required;

(6) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent of the insurer's remaining surplus as regards to policyholders in excess of the minimum required;

(7) Whether a reinsurer, obligor, or any entity within the insurer's insurance holding company system, is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations, and which in the opinion of the director may affect the solvency of the insurer;

(8) Contingent liabilities, pledges, or guaranties which either individually or collectively involve a total amount which in the opinion of the director may affect the solvency of the insurer;

(9) Whether any "controlling" person of an insurer is delinquent in the transmitting to, or payment of, net premiums to the insurer. As used in this subdivision, the term "controlling" shall have the same meaning assigned to it in subdivision (2) of section 382.010;

(10) The age and collectibility of receivables;

(11) Whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness, and reputation deemed necessary to serve the insurer in such position;

(12) Whether management of an insurer has failed to respond to inquiries relative to the condition of the insurer or has furnished false and misleading information concerning an inquiry;

(13) Whether the insurer has failed to meet financial and holding company filing requirements in the absence of a reason satisfactory to the director;

(14) Whether management of an insurer either has filed any false or misleading sworn financial statement, or has released false or misleading financial statement to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;

(15) Whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner;

(16) Whether the insurer has experienced or will experience in the foreseeable future cash flow or liquidity problems;

(17) Whether management has established reserves that do not comply with minimum standards established by state insurance laws, regulations, statutory accounting standards, sound actuarial principles and standards of practice;

(18) Whether management persistently engages in material under reserving that results in adverse development;

(19) Whether transactions among affiliates, subsidiaries, or controlling persons for which the insurer receives assets or capital gains, or both, do not provide sufficient value, liquidity, or diversity to assure the insurer's ability to meet its outstanding obligations as they mature;

(20) Any other finding determined by the director to be hazardous to the insurer's policyholders, creditors, or general public.

3. For the purposes of making a determination of an insurer's financial condition under this section, the director may:

(1) Disregard any credit or amount receivable resulting from transactions with a reinsurer that is insolvent, impaired, or otherwise subject to a delinquency proceeding;

(2) Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries, or affiliates consistent with the National Association of Insurance Commissioners Accounting Policies and Procedures Manual, state laws and regulations;

(3) Refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account or the financial condition of the debtor;

(4) Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next twelve-month period.

4. If the director determines that the continued operation of the insurer licensed to transact business in this state may be hazardous to its policyholders, creditors, or the general public, then the director may, to the extent authorized by law and in accordance with any procedures required by law, issue an order requiring the insurer to:

(1) Reduce the total amount of present and potential liability for policy benefits by reinsurance;

(2) Reduce, suspend, or limit the volume of business being accepted or renewed;

(3) Reduce general insurance and commission expenses by specified methods;

(4) Increase the insurer's capital and surplus;

(5) Suspend or limit the declaration and payment of dividend by an insurer to its stockholders or to its policyholders;

(6) File reports in a form acceptable to the director concerning the market value of an insurer's assets;

(7) Limit or withdraw from certain investments or discontinue certain investment practices to the extent the director deems necessary;

(8) Document the adequacy of premium rates in relation to the risks insured;

(9) File, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or in such format as promulgated by the director;

(10) Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the director;

(11) Provide a business plan to the director in order to continue to transact business in the state;

(12) Notwithstanding any other provision of law limiting the frequency or amount of premium rate adjustments, adjust rates for any non-life insurance product written by the insurer that the director considers necessary to improve the financial condition of the insurer.

5. An insurer subject to an order under subsection 4 of this section may request a hearing before the director in accordance with the provisions of chapter 536. The notice of hearing shall be served upon the insurer pursuant to section 536.067. The notice of hearing shall state the time and place of hearing and the conduct, condition, or ground upon which the director based the order. Unless mutually agreed between the director and the insurer, the hearing shall occur not less than ten days nor more than thirty days after notice is served and shall be either in Cole County or in some other place convenient to the parties designated by the director. The director shall hold all hearings under this subsection privately, unless the insurer requests a public hearing, in which case the hearing shall be public.

6. This section shall not be interpreted to limit the powers granted the director by any laws or parts of laws of this state, nor shall this section be interpreted to supercede any laws or parts of laws of this state, except that if the insurer is a foreign insurer, the director's order under subsection 4 of this section may be limited to the extent expressly provided by any laws or parts of laws of this state.

375.1255. 1. "Company action level event" means with respect to any insurer, any of the following events:

(1) The filing of an RBC report by the insurer which indicates that:

(a) The insurer's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC; or

(b) If a life and health insurer, the insurer has total adjusted capital which is greater than or equal to its company action level RBC but less than the product of its authorized control level capital and 2.5, and has a negative trend;

(c) If a property and casualty insurer, the insurer has total adjusted capital which is greater than or equal to its Company Action Level RBC but less than the product of its Authorized Control Level RBC and 3.0 and triggers the trend test determined in accordance with the trend test calculation included in the Property and Casualty RBC report instructions;

(2) The notification by the director to the insurer of an adjusted RBC report that indicates the event in paragraph (a) [or], (b), **or** (c) of subdivision (1) of this subsection, if the insurer does not challenge the adjusted RBC report pursuant to section 375.1265;

(3) If pursuant to section 375.1265 the insurer challenges an adjusted RBC report that indicates the event described in subdivision (1) of this subsection, the notification by the director to the insurer that the director has, after a hearing, rejected the insurer's challenge.

2. In the event of a company action level event the insurer shall prepare and submit to the director an RBC plan which shall:

(1) Identify the conditions in the insurer which contribute to the company action level event;

(2) Contain proposals of corrective actions which the insurer intends to take and would be expected to

result in the elimination of the company action level event;

(3) Provide projections of the insurer's financial results in the current year and at least the four succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory operating income, net income, capital or surplus. The projections for both new and renewal business might include separate projections for each major line of business and separately identify each significant income, expense and benefit component;

(4) Identify the key assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions; and

(5) Identify the quality of, and problems associated with, the insurer's business, including but not limited to its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business and use of reinsurance in each case, if any.

3. The RBC plan shall be submitted:

(1) Within forty-five days of the company action level event; or

(2) If the insurer challenges an adjusted RBC report pursuant to section 375.1265 within forty-five days after notification to the insurer that the director has, after a hearing, rejected the insurer's challenge.

4. Within sixty days after the submission by an insurer of an RBC plan to the director, the director shall notify the insurer whether the RBC plan shall be implemented or is, in the judgment of the director, unsatisfactory. If the director determines the RBC plan is unsatisfactory, the notification to the insurer shall set forth the reasons for the determination, and may set forth proposed revisions which will render the RBC plan satisfactory, in the judgment of the director. Upon notification from the director, the insurer shall prepare a revised RBC plan, which may incorporate by reference any revisions proposed by the director, and shall submit the revised RBC plan to the director:

(1) Within forty-five days after the notification from the director; or

(2) If the insurer challenges the notification from the director pursuant to section 375.1265, within forty-five days after a notification to the insurer that the director has, after a hearing, rejected the insurer's challenge.

5. In the event of a notification by the director to an insurer that the insurer's RBC plan or revised RBC plan is unsatisfactory, the director may at the director's discretion, subject to the insurer's right to a hearing under section 375.1265, specify in the notification that the notification constitutes a regulatory action level event.

6. Every domestic insurer that files an RBC plan or revised RBC plan with the director shall file a copy of the RBC plan or revised RBC plan with the chief insurance regulatory official in any state in which the insurer is authorized to do business if:

(1) Such state has an RBC provision, substantially similar to subsection 1 of section 375.1267; and

(2) The chief insurance regulatory official of that state has notified the insurer of its request for the filing in writing, in which case the insurer shall file a copy of the RBC plan or revised RBC plan in that state no later than the later of:

(a) Fifteen days after the receipt of notice to file a copy of its RBC plan or revised RBC plan with the state; or

(b) The date on which the RBC plan or revised RBC plan is filed under subsection 3 or 4 of this section.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SCS** for **SB 583**, entitled:

An Act to repeal sections 301.560, 303.025, 303.040, 354.442, 375.1152, 375.1155, 375.1175, 375.1255, 376.717, 376.718, 376.724, 376.725, 376.732, 376.733, 376.734, 376.735, 376.737, 376.738, 376.740, 376.743, 376.758, 376.816, 376.1109, 376.1450, 452.430, 454.515, and 525.233, RSMo, and to enact in lieu thereof forty-two new sections relating to insurance regulation, with penalty provisions and an emergency clause for certain sections.

With House Amendment Nos. 1, 2, 3, 4 and 5.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 583, Page 56, Section 376.882, Line 7, by deleting the word, “**verbal**,”; and

Further amend said bill, Page 58, Section 376.1109, Line 81, by deleting the word, “**verbal**,”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 583, Pages 65 and 66, Sections 452.430, 454.515 and 525.233, by removing all of said sections from the bill; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 583, Page 1, Section A, Line 9, by inserting after all of said line the following:

“208.215. 1. MO HealthNet is payer of last resort unless otherwise specified by law. When any person, corporation, institution, public agency or private agency is liable, either pursuant to contract or otherwise, to a participant receiving public assistance on account of personal injury to or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled, payments made by the department of social services or MO HealthNet division shall be a debt due the state and recoverable from the liable party or participant for all payments made [in] **on** behalf of the participant and the debt due the state shall not exceed the payments made from MO HealthNet benefits provided under sections 208.151 to 208.158 and section 208.162 and section 208.204 on behalf of the participant, minor or estate for payments on account of the injury, disease, or disability or benefits arising from a health insurance program to which the participant may be entitled. **Any health benefit plan as defined in section 376.1350, third party administrator, administrative service organization, and pharmacy benefits manager, shall process and pay all properly submitted medical assistance subrogation claims or MO HealthNet subrogation claims using standard electronic transactions or paper claim forms:**

(1) For a period of three years from the date services were provided or rendered; however, an entity:

(a) Shall not be required to reimburse for items or services which are not covered under MO HealthNet;

(b) Shall not deny a claim submitted by the state solely on the basis of the date of submission of the claim, the type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to provide prior authorization;

(c) Shall not be required to reimburse for items or services for which a claim was previously submitted to the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager by the health care provider or the participant and the claim was properly denied by the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager for procedural reasons, except for timely filing, type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to obtain prior authorization;

(d) Shall not be required to reimburse for items or services which are not covered under or were not covered under the plan offered by the entity against which a claim for subrogation has been filed; and

(e) Shall reimburse for items or services to the same extent that the entity would have been liable as if it had been properly billed at the point of sale, and the amount due is limited to what the entity would have paid as if it had been properly billed at the point of sale; and

(2) If any action by the state to enforce its rights with respect to such claim is commenced within six years of the state's submission of such claim.

2. The department of social services, MO HealthNet division, or its contractor may maintain an appropriate action to recover funds paid by the department of social services or MO HealthNet division or its contractor that are due under this section in the name of the state of Missouri against the person, corporation, institution, public agency, or private agency liable to the participant, minor or estate.

3. Any participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death who pursues legal rights against a person, corporation, institution, public agency, or private agency liable to that participant or minor for injuries, disease or disability or benefits arising from a health insurance plan to which the participant may be entitled as outlined in subsection 1 of this section shall upon actual knowledge that the department of social services or MO HealthNet division has paid MO HealthNet benefits as defined by this chapter promptly notify the MO HealthNet division as to the pursuit of such legal rights.

4. Every applicant or participant by application assigns his right to the department of social services or MO HealthNet division of any funds recovered or expected to be recovered to the extent provided for in this section. All applicants and participants, including a person authorized by the probate code, shall cooperate with the department of social services, MO HealthNet division in identifying and providing information to assist the state in pursuing any third party who may be liable to pay for care and services available under the state's plan for MO HealthNet benefits as provided in sections 208.151 to 208.159 and sections 208.162 and 208.204. All applicants and participants shall cooperate with the agency in obtaining third-party resources due to the applicant, participant, or child for whom assistance is claimed. Failure to cooperate

without good cause as determined by the department of social services, MO HealthNet division in accordance with federally prescribed standards shall render the applicant or participant ineligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204. A [recipient] **participant** who has notice or who has actual knowledge of the department's rights to third-party benefits who receives any third-party benefit or proceeds for a covered illness or injury is either required to pay the division within sixty days after receipt of settlement proceeds the full amount of the third-party benefits up to the total MO HealthNet benefits provided or to place the full amount of the third-party benefits in a trust account for the benefit of the division pending judicial or administrative determination of the division's right to third-party benefits.

5. Every person, corporation or partnership who acts for or on behalf of a person who is or was eligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204 for purposes of pursuing the applicant's or participant's claim which accrued as a result of a nonoccupational or nonwork-related incident or occurrence resulting in the payment of MO HealthNet benefits shall notify the MO HealthNet division upon agreeing to assist such person and further shall notify the MO HealthNet division of any institution of a proceeding, settlement or the results of the pursuit of the claim and give thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or participant to recover damages for such injuries, disease, or disability, or benefits arising from a health insurance program to which the participant may be entitled.

6. Every participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death, or his attorney or legal representative shall promptly notify the MO HealthNet division of any recovery from a third party and shall immediately reimburse the department of social services, MO HealthNet division, or its contractor from the proceeds of any settlement, judgment, or other recovery in any action or claim initiated against any such third party. A judgment, award, or settlement in an action by a [recipient] **participant** to recover damages for injuries or other third-party benefits in which the division has an interest may not be satisfied without first giving the division notice and a reasonable opportunity to file and satisfy the claim or proceed with any action as otherwise permitted by law.

7. The department of social services, MO HealthNet division or its contractor shall have a right to recover the amount of payments made to a provider under this chapter because of an injury, disease, or disability, or benefits arising from a health insurance plan to which the participant may be entitled for which a third party is or may be liable in contract, tort or otherwise under law or equity. Upon request by the MO HealthNet division, all third-party payers shall provide the MO HealthNet division with information contained in a 270/271 Health Care Eligibility Benefits Inquiry and Response standard transaction mandated under the federal Health Insurance Portability and Accountability Act, except that third-party payers shall not include accident-only, specified disease, disability income, hospital indemnity, or other fixed indemnity insurance policies.

8. The department of social services or MO HealthNet division shall have a lien upon any moneys to be paid by any insurance company or similar business enterprise, person, corporation, institution, public agency or private agency in settlement or satisfaction of a judgment on any claim for injuries or disability or disease benefits arising from a health insurance program to which the participant may be entitled which resulted in medical expenses for which the department or MO HealthNet division made payment. This lien shall also be applicable to any moneys which may come into the possession of any attorney who is handling the claim for injuries, or disability or disease or benefits arising from a health insurance plan to which the

participant may be entitled which resulted in payments made by the department or MO HealthNet division. In each case, a lien notice shall be served by certified mail or registered mail, upon the party or parties against whom the applicant or participant has a claim, demand or cause of action. The lien shall claim the charge and describe the interest the department or MO HealthNet division has in the claim, demand or cause of action. The lien shall attach to any verdict or judgment entered and to any money or property which may be recovered on account of such claim, demand, cause of action or suit from and after the time of the service of the notice.

9. On petition filed by the department, or by the participant, or by the defendant, the court, on written notice of all interested parties, may adjudicate the rights of the parties and enforce the charge. The court may approve the settlement of any claim, demand or cause of action either before or after a verdict, and nothing in this section shall be construed as requiring the actual trial or final adjudication of any claim, demand or cause of action upon which the department has charge. The court may determine what portion of the recovery shall be paid to the department against the recovery. In making this determination the court shall conduct an evidentiary hearing and shall consider competent evidence pertaining to the following matters:

(1) The amount of the charge sought to be enforced against the recovery when expressed as a percentage of the gross amount of the recovery; the amount of the charge sought to be enforced against the recovery when expressed as a percentage of the amount obtained by subtracting from the gross amount of the recovery the total attorney's fees and other costs incurred by the participant incident to the recovery; and whether the department should, as a matter of fairness and equity, bear its proportionate share of the fees and costs incurred to generate the recovery from which the charge is sought to be satisfied;

(2) The amount, if any, of the attorney's fees and other costs incurred by the participant incident to the recovery and paid by the participant up to the time of recovery, and the amount of such fees and costs remaining unpaid at the time of recovery;

(3) The total hospital, doctor and other medical expenses incurred for care and treatment of the injury to the date of recovery therefor, the portion of such expenses theretofore paid by the participant, by insurance provided by the participant, and by the department, and the amount of such previously incurred expenses which remain unpaid at the time of recovery and by whom such incurred, unpaid expenses are to be paid;

(4) Whether the recovery represents less than substantially full recompense for the injury and the hospital, doctor and other medical expenses incurred to the date of recovery for the care and treatment of the injury, so that reduction of the charge sought to be enforced against the recovery would not likely result in a double recovery or unjust enrichment to the participant;

(5) The age of the participant and of persons dependent for support upon the participant, the nature and permanency of the participant's injuries as they affect not only the future employability and education of the participant but also the reasonably necessary and foreseeable future material, maintenance, medical rehabilitative and training needs of the participant, the cost of such reasonably necessary and foreseeable future needs, and the resources available to meet such needs and pay such costs;

(6) The realistic ability of the participant to repay in whole or in part the charge sought to be enforced against the recovery when judged in light of the factors enumerated above.

10. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party

seeking such reduction. **The computerized records of the MO HealthNet division, certified by the director or his designee, shall be prima facie evidence of proof of moneys expended and the amount of the debt due the state.**

11. The court may reduce and apportion the department's or MO HealthNet division's lien proportionate to the recovery of the claimant. The court may consider the nature and extent of the injury, economic and noneconomic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The department or MO HealthNet division shall pay its pro rata share of the attorney's fees based on the department's or MO HealthNet division's lien as it compares to the total settlement agreed upon. This section shall not affect the priority of an attorney's lien under section 484.140, RSMo. The charges of the department or MO HealthNet division or contractor described in this section, however, shall take priority over all other liens and charges existing under the laws of the state of Missouri with the exception of the attorney's lien under such statute.

12. Whenever the department of social services or MO HealthNet division has a statutory charge under this section against a recovery for damages incurred by a participant because of its advancement of any assistance, such charge shall not be satisfied out of any recovery until the attorney's claim for fees is satisfied, [irrespective] **regardless** of whether [or not] an action based on participant's claim has been filed in court. Nothing herein shall prohibit the director from entering into a compromise agreement with any participant, after consideration of the factors in subsections 9 to 13 of this section.

13. This section shall be inapplicable to any claim, demand or cause of action arising under the workers' compensation act, chapter 287, RSMo. From funds recovered pursuant to this section the federal government shall be paid a portion thereof equal to the proportionate part originally provided by the federal government to pay for MO HealthNet benefits to the participant or minor involved. The department or MO HealthNet division shall enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on permanently institutionalized individuals. The department or MO HealthNet division shall have the right to enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on all other institutionalized individuals. For the purposes of this subsection, "permanently institutionalized individuals" includes those people who the department or MO HealthNet division determines cannot reasonably be expected to be discharged and return home, and "property" includes the homestead and all other personal and real property in which the participant has sole legal interest or a legal interest based upon co-ownership of the property which is the result of a transfer of property for less than the fair market value within thirty months prior to the participant's entering the nursing facility. The following provisions shall apply to such liens:

(1) The lien shall be for the debt due the state for MO HealthNet benefits paid or to be paid on behalf of a participant. The amount of the lien shall be for the full amount due the state at the time the lien is enforced;

(2) The MO HealthNet division shall file for record, with the recorder of deeds of the county in which any real property of the participant is situated, a written notice of the lien. The notice of lien shall contain the name of the participant and a description of the real estate. The recorder shall note the time of receiving such notice, and shall record and index the notice of lien in the same manner as deeds of real estate are required to be recorded and indexed. The director or the director's designee may release or discharge all or part of the lien and notice of the release shall also be filed with the recorder. The department of social services, MO HealthNet division, shall provide payment to the recorder of deeds the fees set for similar

filings in connection with the filing of a lien and any other necessary documents;

(3) No such lien may be imposed against the property of any individual prior to the individual's death on account of MO HealthNet benefits paid except:

(a) In the case of the real property of an individual:

a. Who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution, to spend for costs of medical care all but a minimal amount of his or her income required for personal needs; and

b. With respect to whom the director of the MO HealthNet division or the director's designee determines, after notice and opportunity for hearing, that he cannot reasonably be expected to be discharged from the medical institution and to return home. The hearing, if requested, shall proceed under the provisions of chapter 536, RSMo, before a hearing officer designated by the director of the MO HealthNet division; or

(b) Pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual;

(4) No lien may be imposed under paragraph (b) of subdivision (3) of this subsection on such individual's home if one or more of the following persons is lawfully residing in such home:

(a) The spouse of such individual;

(b) Such individual's child who is under twenty-one years of age, or is blind or permanently and totally disabled; or

(c) A sibling of such individual who has an equity interest in such home and who was residing in such individual's home for a period of at least one year immediately before the date of the individual's admission to the medical institution;

(5) Any lien imposed with respect to an individual pursuant to subparagraph b of paragraph (a) of subdivision (3) of this subsection shall dissolve upon that individual's discharge from the medical institution and return home.

14. The debt due the state provided by this section is subordinate to the lien provided by section 484.130, RSMo, or section 484.140, RSMo, relating to an attorney's lien and to the participant's expenses of the claim against the third party.

15. Application for and acceptance of MO HealthNet benefits under this chapter shall constitute an assignment to the department of social services or MO HealthNet division of any rights to support for the purpose of medical care as determined by a court or administrative order and of any other rights to payment for medical care.

16. All participants receiving benefits as defined in this chapter shall cooperate with the state by reporting to the family support division or the MO HealthNet division, within thirty days, any occurrences where an injury to their persons or to a member of a household who receives MO HealthNet benefits is sustained, on such form or forms as provided by the family support division or MO HealthNet division.

17. If a person fails to comply with the provision of any judicial or administrative decree or temporary order requiring that person to maintain medical insurance on or be responsible for medical expenses for a

dependent child, spouse, or ex-spouse, in addition to other remedies available, that person shall be liable to the state for the entire cost of the medical care provided pursuant to eligibility under any public assistance program on behalf of that dependent child, spouse, or ex-spouse during the period for which the required medical care was provided. Where a duty of support exists and no judicial or administrative decree or temporary order for support has been entered, the person owing the duty of support shall be liable to the state for the entire cost of the medical care provided on behalf of the dependent child or spouse to whom the duty of support is owed.

18. The department director or the director's designee may compromise, settle or waive any such claim in whole or in part in the interest of the MO HealthNet program. Notwithstanding any provision in this section to the contrary, the department of social services, MO HealthNet division is not required to seek reimbursement from a liable third party on claims for which the amount it reasonably expects to recover will be less than the cost of recovery or for which recovery efforts will not be cost-effective. Cost-effectiveness is determined based on the following:

- (1) Actual and legal issues of liability as may exist between the [recipient] **participant** and the liable party;
- (2) Total funds available for settlement; and
- (3) An estimate of the cost to the division of pursuing its claim.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 583, Pages 10 to 22, Sections 337.300, 337.305, 337.310, 337.315, 337.320, 337.325, 337.330, 337.335, 337.340, and 337.345, by deleting all of said sections from the bill; and

Further amend said bill, Pages 58 to 65, Section 376.1224, by deleting all of said section; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 583, Page 36, Section 375.1175, Line 28, by inserting after all of said line the following:

“375.1191. 1. Notwithstanding any other provision of sections 375.1150 to 375.1246, including any provision permitting the modification of contracts, or other law of a state, no person shall be stayed or prohibited from exercising:

(1) A contractual right to cause the termination, liquidation, or acceleration or close out of obligations under or in connection with any netting agreement or qualified financial contract with an insurer because of:

(a) The insolvency, financial condition, or default of the insurer at any time; provided that the right is enforceable under applicable law other than sections 375.1150 to 375.1246; or

(b) The commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246;

(2) Any right under a pledge, security, collateral, reimbursement, or guarantee agreement or arrangement or any similar security agreement or arrangement or other credit enhancement relating

to one or more netting agreements or qualified financial contracts;

(3) Subject to any provision of section 375.1198, any right to set off or net out any termination value, payment amount, or other transfer obligation arising under or in connection with one or more qualified financial contracts where the counterparty or its guarantor is organized under the laws of the United States or a foreign jurisdiction approved by the Securities Valuation Office (SVO) of the NAIC as eligible for netting; or

(4) If a counterparty to a master netting agreement or qualified financial contract with an insurer subject to a proceeding under sections 375.1150 to 375.1246 terminates, liquidates, closes out, or accelerates the agreement or contract, damages shall be measured as of the date or dates of termination, liquidation, close out, or acceleration. The amount of a claim for damages shall be actual direct compensatory damages calculated in accordance with subsection 6 of this section.

2. (1) Upon termination of a netting agreement or qualified financial contract, the net or settlement amount, if any, owed by a nondefaulting party to an insurer against which an application or petition has been filed under sections 375.1150 to 375.1246 shall be transferred to or on the order of the receiver for the insurer, even if the insurer is the defaulting party, notwithstanding any walkaway clause in the netting agreement or qualified financial contract.

(2) For purposes of this subsection, “walkaway clause” means a provision in a netting agreement or qualified financial contract that, after calculation of a value of a party’s position or an amount due to or from one of the parties in accordance with its terms upon termination, liquidation, or obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of the party’s status as a nondefaulting party.

(3) Any limited two-way payment or first method provision in a netting agreement or qualified financial contract with an insurer that has defaulted shall be deemed to be a full two-way payment or second method provision as against the defaulting insurer. Any such property or amount shall, except to the extent it is subject to one or more secondary liens or encumbrances or rights of netting or setoff, be a general asset of the insurer.

3. In making any transfer of a netting agreement or qualified financial contract of an insurer subject to a proceeding under sections 375.1150 to 375.1246, the receiver shall either:

(1) Transfer to one party, other than an insurer subject to a proceeding under sections 375.1150 to 375.1246, all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding, including:

(a) All rights and obligations of each party under each netting agreement and qualified financial contract; and

(b) All property, including any guarantees or other credit enhancement, securing any claims of each party under each netting agreement and qualified financial contract; or

(2) Transfer none of the netting agreements, qualified financial contracts, rights, obligations, or property referred to in subdivision (1) of this subsection with respect to the counterparty and any affiliate of the counterparty.

4. If a receiver for an insurer makes a transfer of one or more netting agreements or qualified financial contracts, the receiver shall use its best efforts to notify any person who is party to the

netting agreements or qualified financial contracts of the transfer by noon, the receiver's local time, on the business day following the transfer. For purposes of this subsection, "business day" means a day other than a Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

5. Notwithstanding any other provision of sections 375.1150 to 375.1246, a receiver shall not avoid a transfer of money or other property arising under or in connection with a netting agreement or qualified financial contract, or any pledge, security, collateral, or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract, that is made before the commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246. However, a transfer may be avoided under section 375.1182 if the transfer was made with actual intent to hinder, delay, or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

6. (1) In exercising the rights of disaffirmance or repudiation of a receiver with respect to any netting agreement or qualified financial contract to which an insurer is a party, the receiver for the insurer shall either:

(a) Disaffirm or repudiate all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding; or

(b) Disaffirm or repudiate none of the netting agreements and qualified financial contracts referred to in paragraph (a) of this subdivision with respect to the person or any affiliate of the person.

(2) Notwithstanding any other provision of sections 375.1150 to 375.1246, any claim of a counterparty against the estate arising from the receiver's disaffirmance or repudiation of a netting agreement or qualified financial contract that has not been previously affirmed in the liquidation or immediately preceding conservation or rehabilitation case shall be determined and shall be allowed or disallowed as if the claim had arisen before the date of the filing of the petition for liquidation or, if a conservation or rehabilitation proceeding is converted to a liquidation proceeding, as if the claim had arisen before the date of the filing of the petition for conservation or rehabilitation. The amount of the claim shall be the actual direct compensatory damages determined as of the date of the disaffirmance or repudiation of the netting agreement or qualified financial contract. Actual direct compensatory damages does not include punitive or exemplary damages, damages for lost profit or lost opportunity or damages for pain and suffering, but does include normal and reasonable costs of cover or other reasonable measures of damages utilized in the derivatives, securities, or other market for the contract and agreement claims.

7. Contractual right, as used in this section, includes any right set forth in a rule or bylaw of a derivatives clearing organization as defined in the Commodity Exchange Act, a multilateral clearing organization as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991, a national securities exchange, a national securities association, a securities clearing agency, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade as defined in the Commodity Exchange Act, or in a resolution of the governing board thereof and any right, whether or not evidenced in writing, arising under statutory or common law, or under law merchant, or by reason

of normal business practice.

8. The provisions of this section shall not apply to persons who are affiliates of the insurer that is the subject of the proceeding.

9. All rights of counterparties under sections 375.1150 to 375.1246 shall apply to netting agreements and qualified financial contracts entered into on behalf of the general account or separate accounts if the assets of each separate account are available only to counterparties to netting agreements and qualified financial contracts entered into on behalf of such separate account.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Emergency clause adopted.

In which the concurrence of the Senate is respectfully requested.

PRIVILEGED MOTIONS

Senator Callahan moved that the Senate refuse to concur in **HCS** for **SB 981**, as amended, and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon, which motion prevailed.

Senator Pearce moved that **SB 940**, with **HCS**, be taken up for 3rd reading and final passage, which motion prevailed.

HCS for **SB 940**, entitled:

**HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 940**

An Act to repeal sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, and to enact in lieu thereof seven new sections relating to bingo, with penalty provisions.

Was taken up.

Senator Pearce moved that **HCS** for **SB 940** be adopted, which motion prevailed by the following vote:

YEAS—Senators

Barnitz	Bray	Callahan	Champion	Clemens	Crowell	Days	Dempsey
Engler	Green	Justus	Keaveny	Lager	Mayer	McKenna	Nodler
Pearce	Ridgeway	Rupp	Schaefer	Schmitt	Shields	Shoemyer	Vogel
Wilson	Wright-Jones—26						

NAYS—Senators

Bartle	Cunningham	Goodman	Lembke	Purgason	Scott	Stouffer—7
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Absent—Senator Griesheimer—1

Absent with leave—Senators—None

Vacancies—None

On motion of Senator Pearce, **HCS** for **SB 940** was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bray	Callahan	Champion	Crowell	Days	Dempsey	Engler
Green	Griesheimer	Justus	Keaveny	Lager	McKenna	Nodler	Pearce
Rupp	Schaefer	Schmitt	Shields	Shoemyer	Vogel	Wilson	Wright-Jones—24

NAYS—Senators

Bartle	Cunningham	Goodman	Lembke	Mayer	Purgason	Ridgeway	Scott
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Stouffer—9

Absent—Senator Clemens—1

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Pearce, title to the bill was agreed to.

Senator Pearce moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

Bill ordered enrolled.

Senator Pearce moved that the Senate refuse to concur in **HCS No. 2** for **SCS** for **SB 778** and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon and further that the conferees be allowed to exceed the differences to require the Office of Administration to provide the members of the legislature a key to the dome, which motion prevailed.

HOUSE BILLS ON THIRD READING

HB 1595, introduced by Representative Dugger, et al, entitled:

An Act to repeal section 349.010, RSMo, and to enact in lieu thereof one new section relating to projects by industrial development corporations.

Was called from the Informal Calendar and taken up by Senator Purgason.

On motion of Senator Purgason, **HB 1595** was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Bartle	Bray	Callahan	Champion	Clemens	Crowell	Cunningham
Days	Dempsey	Engler	Goodman	Green	Griesheimer	Justus	Keaveny
Lager	Lembke	Mayer	McKenna	Nodler	Pearce	Purgason	Ridgeway
Rupp	Schaefer	Schmitt	Scott	Shields	Shoemyer	Stouffer	Vogel
Wilson	Wright-Jones—34						

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The President declared the bill passed.

On motion of Senator Purgason, title to the bill was agreed to.

Senator Purgason moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

PRIVILEGED MOTIONS

Senator Griesheimer moved that the Senate refuse to concur in **HCS** for **SB 741**, as amended, and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon, which motion prevailed.

On motion of Senator Engler, the Senate recessed until 6:00 p.m.

RECESS

The time of recess having expired, the Senate was called to order by Senator Pearce.

HOUSE BILLS ON THIRD READING

Senator Stouffer moved that **HCS** for **HJR 86**, with **SCS** and **SS No. 2** for **SCS** (pending), be called from the Informal Calendar and again taken up for 3rd reading and final passage, which motion prevailed.

SS No. 2 for **SCS** for **HCS** for **HJR 86** was again taken up.

At the request of Senator Stouffer, **SS No. 2** for **SCS** for **HCS** for **HJR 86** was withdrawn.

Senator Stouffer offered **SS No. 3** for **SCS** for **HCS** for **HJR 86**, entitled:

SENATE SUBSTITUTE NO. 3 FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE JOINT RESOLUTION NO. 86

Joint Resolution submitting to the qualified voters of Missouri, an amendment to article I of the Constitution of Missouri, and adopting one new section relating to the right to raise animals.

Senator Stouffer moved that **SS No. 3** for **SCS** for **HCS** for **HJR 86** be adopted.

Senator Rupp offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute No. 3 for Senate Committee Substitute for House Committee Substitute for House Joint Resolution No. 86, Page 2, Section 35, Lines 2-3 of said page, by striking “domesticated animals” and inserting in lieu thereof the following: “**livestock**”; and

Further amend said resolution and page, section B, line 14 of said page, by striking “domesticated animals” and inserting in lieu thereof the following: “**livestock**”.

Senator Rupp moved that the above amendment be adopted.

Senator Dempsey assumed the Chair.

Senator Scott assumed the Chair.

At the request of Senator Stouffer, **HCS** for **HJR 86**, with **SCS**, **SS No. 3** for **SCS** and **SA 1** (pending), was placed on the Informal Calendar.

On motion of Senator Engler, the Senate recessed until 8:30 p.m.

RECESS

The time of recess having expired, the Senate was called to order by Senator Stouffer.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House refuses to concur in **SA 1** to **HCS** for **HB 2070** and request the Senate to recede from its position and failing to do so grant the House a conference thereon.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House refuses to recede from its position on **HCS** for **SB 791**, as amended, and grants the Senate a conference thereon.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House refuses to recede from its position on **HCS** for **SB 981**, as amended, and grants the Senate a conference thereon.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Shields appointed the following conference committee to act with a like committee from the House on **HCS** for **SB 791**, as amended. Senators Griesheimer, Lager, Dempsey, Bray and Callahan.

President Pro Tem Shields appointed the following conference committee to act with a like committee from the House on **HCS** for **SB 981**, as amended: Senators Callahan, Green, Griesheimer, Dempsey and Crowell.

PRIVILEGED MOTIONS

Senator Dempsey, on behalf of the conference committee appointed to act with a like committee from the House on **HCS** for **SCS** for **SB 754**, as amended, moved that the following conference committee report be taken up, which motion prevailed.

CONFERENCE COMMITTEE REPORT ON HOUSE COMMITTEE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 754

The Conference Committee appointed on House Committee Substitute for Senate Committee Substitute

for Senate Bill No. 754, with House Amendment Nos 1, 2, 3, 4, 5, 6, 7, 8, and House Substitute Amendment No. 1 for House Amendment No. 10, begs leave to report that we, after free and fair discussion of the differences, have agreed to recommend and do recommend to the respective bodies as follows:

1. That the House recede from its position on House Committee Substitute for Senate Committee Substitute for Senate Bill No. 754, as amended;
2. The Senate recede from its position on Senate Committee Substitute for Senate Bill No. 754,;
3. That the attached Conference Committee Substitute for House Committee Substitute for Senate Committee Substitute for Senate Bill No. 754, be Third Read and Finally Passed.

FOR THE SENATE:

/s/ Tom Dempsey
 /s/ Delbert Scott
 /s/ David Pearce
 Jolie Justus
 Victor Callahan

FOR THE HOUSE:

/s/ David Day
 /s/ Donald Wells
 /s/ Jay Wasson
 /s/ Curt Dougherty
 Steve Webb

Senator Dempsey moved that the above conference committee report be adopted.

At the request of Senator Dempsey, the above motion was withdrawn.

REPORTS OF STANDING COMMITTEES

Senator Purgason, Chairman of the Committee on Governmental Accountability and Fiscal Oversight, submitted the following reports:

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which was referred **HJR 62**, begs leave to report that it has considered the same and recommends that the joint resolution do pass.

Also,

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which was referred **SS No. 2** for **SCS** for **HCS No. 2** for **HB 1543**, begs leave to report that it has considered the same and recommends that the bill do pass.

HOUSE BILLS ON THIRD READING

Senator Pearce moved that **SS No. 2** for **SCS** for **HCS No. 2** for **HB 1543**, as amended, be called from the Informal Calendar and again taken up for 3rd reading and final passage, which motion prevailed.

SS No. 2 for **SCS** for **HCS No. 2** for **HB 1543**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Barnitz	Callahan	Champion	Crowell	Cunningham	Days	Dempsey	Engler
Green	Justus	Keaveny	Lager	Mayer	McKenna	Nodler	Pearce
Purgason	Ridgeway	Schaefer	Schmitt	Shields	Stouffer	Wilson	Wright-Jones—24

NAYS—Senators

Bartle	Bray	Goodman	Griesheimer	Rupp	Scott	Shoemyer—7
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Absent—Senators

Clemens Lembke—2

Absent with leave—Senator Vogel—1

Vacancies—None

The President declared the bill passed.

The emergency clause was adopted by the following vote:

YEAS—Senators

Barnitz	Callahan	Champion	Crowell	Cunningham	Days	Dempsey	Engler
Green	Justus	Keaveny	Lager	Lembke	Mayer	McKenna	Nodler
Pearce	Purgason	Ridgeway	Schaefer	Schmitt	Shields	Shoemyer	Stouffer
Wilson	Wright-Jones—26						

NAYS—Senators

Bartle	Bray	Goodman	Griesheimer	Rupp	Scott—6
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Absent—Senator Clemens—1

Absent with leave—Senator Vogel—1

Vacancies—None

On motion of Senator Pearce, title to the bill was agreed to.

Senator Pearce moved that the vote by which the bill passed be reconsidered.

Senator Engler moved that motion lay on the table, which motion prevailed.

PRIVILEGED MOTIONS

Senator Schaefer moved that the Senate refuse to recede from its position on **SA 1** to **HCS** for **HB 2070**, and grant the House a conference thereon, which motion prevailed.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Shields appointed the following conference committee to act with a like committee from the House on **HCS** for **HB 2070**, with **SA 1**. Senators Schaefer, Lembke, Pearce, Bray and Shoemyer.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS No. 2** for **SB 848**, entitled:

An Act to repeal sections 273.327, 273.329, 393.150, 393.1025, and 393.1030, RSMo, and to enact in lieu thereof eight new sections relating to energy and animals, with a penalty provision and an emergency

clause for certain sections.

With House Amendment Nos. 1, 2 and 4.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute No. 2 for Senate Bill No. 848, Sections 386.715 and 393.150 by removing all of said Sections from the bill; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute No. 2 for Senate Bill No. 848, Page 9, Section 393.1030, Line 58, by inserting immediately after said line the following:

“Section 1. 1. Damages allowable for a private nuisance on property used for farming purposes as defined in sections 262.801 and 262.805 shall be as follows:

(1) If the nuisance is a permanent nuisance, compensatory damages shall be measured by the reduction in the fair market value of the claimant’s property caused by the nuisance, but not to exceed the fair market value of the property;

(2) If the nuisance is a temporary nuisance, compensatory damages shall be measured by the diminution in the fair rental value of the property which resulted from the nuisance;

(3) No damages shall be awarded for annoyance, discomfort, sickness, emotional distress, or similar claims for a private nuisance.

2. In the event a claim for injury or damages to a person is asserted in the same proceeding as a claim for damage to the claimant’s property cause by a private nuisance, liability for such personal injury or damage shall be determined on the basis of applicable principles of tort law independent of whether the defendant’s use of property is found to constitute a nuisance.

3. In any action for private nuisance where the amount in controversy exceeds one million dollars, if any party requests the court or jury to visit the property alleged to be affected by the nuisance, the court or jury shall visit the property.

[537.296. In any action for private nuisance where the amount in controversy exceeds one million dollars, if any party requests the court or jury to visit the property alleged to be affected by the nuisance, the court or jury shall visit the property.]”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute No. 2 for Senate Bill No. 848, Page 4, Section 273.329, Line 19 by inserting after all of said line the following:

“311.297. 1. Any winery, distiller, manufacturer, wholesaler, or brewer or designated employee may provide and pour distilled spirits, wine, or malt beverage samples off a licensed retail premises for tasting purposes provided no sales transactions take place. For purposes of this section, a “sales transaction” shall mean an actual and immediate exchange of monetary consideration for the immediate delivery of goods at

the tasting site.

2. Notwithstanding any other provisions of this chapter to the contrary, any winery, distiller, manufacturer, wholesaler, or brewer or designated employee may provide, furnish, or pour distilled spirits, wine, or malt beverage samples for customer tasting purposes on any temporary licensed retail premises as described in section 311.218, 311.482, 311.485, 311.486, or 311.487, or on any tax exempt organization's licensed premises as described in section 311.090.

3. Notwithstanding any other provisions of this chapter to the contrary, any winery, distiller, manufacturer, wholesaler, or brewer or designated employee may provide, furnish, or pour distilled spirits, wine, or malt beverage samples on a licensed retail premises for customer tasting purposes. The retail licensed premises where such product tasting is provided shall maintain a special permit in accordance with section 311.294 or hold a by-the-drink-for-consumption-on-the-premises-where-sold retail license. No money or anything of value shall be given to the retailers for the privilege or opportunity of conducting the on-the-premises product tasting.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

MESSAGES FROM THE GOVERNOR

The following message was received from the Governor, reading of which was waived:

GOVERNOR OF MISSOURI
JEFFERSON CITY
65102

May 12, 2010

TO THE SECRETARY OF THE SENATE
95th GENERAL ASSEMBLY
SECOND REGULAR SESSION
STATE OF MISSOURI

Herewith I return to you Senate Substitute for Senate Bill No. 928 entitled:

AN ACT

To repeal section 144.030, RSMo, and to enact in lieu thereof two new sections relating to the sales tax treatment of sales for resale, with an emergency clause.

On May 12, 2010, I approved said Senate Substitute for Senate Bill No. 928.

Respectfully submitted,
Jeremiah W. (Jay) Nixon
Governor

RESOLUTIONS

Senator Wright-Jones offered Senate Resolution No. 2525, regarding the One Hundredth Birthday of Lucy J. Diggs, St. Louis, which was adopted.

On motion of Senator Engler, the Senate adjourned until 9:00 a.m., Thursday, May 13, 2010.

SENATE CALENDAR

SIXTY-NINTH DAY—THURSDAY, MAY 13, 2010

FORMAL CALENDAR

THIRD READING OF SENATE BILLS

SB 627-Justus (In Fiscal Oversight)	SCS for SB 622-Shoemyer (In Fiscal Oversight)
SJR 20-Bartle	SS for SB 1057-Shields (In Fiscal Oversight)
SB 779-Bartle (In Fiscal Oversight)	SCS for SB 969-Keaveny
SCS for SB 944-Shields (In Fiscal Oversight)	

HOUSE BILLS ON THIRD READING

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| 1. HCS for HB 1675, with SCS (Ridgeway)
(In Fiscal Oversight) | 6. HCS for HB 1966, with SCS (Pearce)
(In Fiscal Oversight) |
| 2. HJR 76-Dethrow, et al, with SCS
(Purgason) (In Fiscal Oversight) | 7. HJR 78-Smith (150), et al (Stouffer)
(In Fiscal Oversight) |
| 3. HCS for HB 1497 (Goodman)
(In Fiscal Oversight) | 8. HJR 62-McGhee, et al (Scott) |
| 4. HB 2252-Faith (Dempsey)
(In Fiscal Oversight) | 9. HB 2290-Wasson (Goodman) |
| 5. HCS for HJR 64, with SCS (Pearce)
(In Fiscal Oversight) | 10. HCS for HB 1871, with SCS (Lager)
(In Fiscal Oversight) |
| | 11. HCS for HB 1473, with SCS (Pearce) |
| | 12. HCS for HB 2201, with SCS (Schaefer) |

INFORMAL CALENDAR

THIRD READING OF SENATE BILLS

SCS for SB 631-Cunningham (In Fiscal Oversight)	SCS for SB 826-Griesheimer SB 1001-Griesheimer
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SENATE BILLS FOR PERFECTION

SB 579-Shields, with SCS	SB 639-Schmitt, with SCS & SS for SCS (pending)
SB 587-Nodler and Cunningham, with SCS & SA 1 (pending)	SB 643-Keaveny, with SCS, SS for SCS, SA 1 & SA 1 to SA 1 (pending)
SB 596-Callahan, with SCS (pending)	SB 698-Griesheimer, with SCS, SS for SCS & SA 1 (pending)
SB 606-Stouffer	SB 705-Griesheimer
SBs 607, 602, 615 & 725-Stouffer, with SCS & SA 1 (pending)	

SB 738-Crowell, with SCS
 SB 747-Rupp, et al, with SA 1 (pending)
 SB 784-Schaefer and Pearce
 SB 792-Dempsey and Rupp, with SS
 (pending)
 SB 797-Green
 SB 810-Lager, with SCS
 SB 818-Lembke, with SCS, SS for SCS &
 SA 1 (pending)
 SB 839-Wright-Jones, with SCS
 SB 852-Lager, et al, with SS, SA 1 &
 SSA 1 for SA 1 (pending)
 SB 868-Shields
 SB 878-Lembke, with SCS & SS for SCS
 (pending)
 SBs 880, 780 & 836-Schaefer, with SCS,
 SS for SCS & SA 1 (pending)
 SBs 895, 813, 911, 924, 922 & 802-Dempsey,
 et al, with SCS, SS for SCS, SA 1, SSA 1
 for SA 1 & SA 1 to SSA 1 for SA 1 (pending)

SB 896-Shields and Crowell, with SA 1
 (pending)
 SB 905-Bray, et al, with SCS & SS for
 SCS (pending)
 SB 999-Schaefer
 SB 1016-Mayer, with SCS
 SB 1017-Mayer, with SCS (pending)
 SB 1060-Bartle, with SCS
 SJR 22-Callahan
 SJR 25-Cunningham, et al, with SCS, SS#2
 for SCS & SA 5 (pending)
 SJR 29-Purgason and Cunningham, with
 SCS, SS#2 for SCS & SA 1 (pending)
 SJR 31-Scott
 SJR 33-Bartle, with SA 1 (pending)
 SJR 34-Goodman, et al, with SA 1
 (pending)
 SJR 38-Ridgeway
 SJR 40-Goodman, with SA 1 (pending)

HOUSE BILLS ON THIRD READING

HCS for HB 1290, with SCS, SS#2 for SCS,
 SA 14 & SA 1 to SA 14 (pending)
 (Griesheimer)
 HCS for HB 1400, with SCS (Stouffer)
 HB 1424-Franz, with SCS (pending)
 (McKenna)
 HCS for HB 1446, with SCS (Pearce)
 HCS for HB 1541, with SCS & SS for SCS
 (pending) (Goodman)
 HB 1609-Diehl, with SCS & SS#2 for SCS
 (pending) (Bartle)
 HCS#2 for HBs 1692, 1209, 1405, 1499,
 1535 & 1811, with SCS (Cunningham)

HB 1802-Gatschenberger, with SCS, SS for
 SCS & SA 1 (pending) (Rupp)
 HB 1842-Wilson (130) (Goodman)
 HCS for HB 2048, with SCS (Lager)
 HCS for HB 2058, with SCS (Schmitt)
 HB 2109-Ruzicka, with SCS & SS for SCS
 (pending) (Lager)
 SS for SCS for HB 2111-Faith, et al
 (Stouffer)
 SS for SCS for HB 2205-Burlison (Rupp)
 (In Fiscal Oversight)
 HCS for HJR 86, with SCS, SS#3 for SCS &
 SA 1 (pending) (Stouffer)

SENATE BILLS WITH HOUSE AMENDMENTS

SCS for SB 583-Champion, with HCS,
 as amended
 SB 773-Dempsey, with HA 1

SCS for SB 777-Pearce, with HCS,
 as amended
 SB 848-Barnitz, with HCS#2, as amended

BILLS IN CONFERENCE AND BILLS
CARRYING REQUEST MESSAGES

In Conference

SS for SCS for SB 605-Mayer, with HCS,
as amended
SCS for SB 754-Dempsey, with HCS,
as amended
SB 791-Griesheimer, with HCS, as amended
SB 795-Mayer and Nodler, with HCS,
as amended
SCS for SBs 842, 799 & 809-Schmitt, with
HCS, as amended
SB 844-Shields, with HCS#2
SB 981-Callahan, with HCS, as amended
HB 1268-Meiners, with SS#2, as amended
(Justus)
HCS for HBs 1408 & 1514, with SS (Lembke)

HB 1442-Jones (89), et al, with SS for
SCS, as amended (Nodler)
HB 1677-Hoskins (80), with SCS (Days)
HB 1691-Kraus, et al, with SA 1 & SA 2
(Pearce)
HB 1868-Scharnhorst, with SCS,
as amended (Shields)
HCS for HB 1965, with SCS, as amended
(Cunningham)
HCS for HB 2070, with SA 1 (Schaefer)
HB 2226, HB 1824, HB 1832 & HB 1990,
with SCS, as amended (Scott)
HCS for HB 2297, with SCS, as amended
(Wilson)

Requests to Recede or Grant Conference

SB 741-Griesheimer, with HCS, as amended
(Senate requests House recede or
grant conference)

SCS for SB 778-Pearce, with HCS#2
(Senate requests House recede or
grant conference)

RESOLUTIONS

Reported from Committee

SCR 42-Bray, with SCA 1
HCS for HCR 18, with SA 1 (pending) (Rupp)
SCR 46-Stouffer

HCS for HCRs 34 & 35 (Schmitt)
SR 1744-Shields
SCR 57-Ridgeway

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