

FIRST REGULAR SESSION

# SENATE BILL NO. 421

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR DIXON.

Read 1st time February 9, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2039S.011

## AN ACT

To repeal section 94.579, RSMo, and to enact in lieu thereof one new section relating to a sales tax for public safety.

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

Section A. Section 94.579, RSMo, is repealed and one new section enacted  
2 in lieu thereof, to be known as section 94.579, to read as follows:

94.579. 1. The governing body of any home rule city with more than one  
2 hundred fifty-one thousand five hundred but fewer than one hundred fifty-one  
3 thousand six hundred inhabitants is hereby authorized to impose, by order or  
4 ordinance, a sales tax on all retail sales made within the city which are subject  
5 to sales tax under chapter 144. The tax authorized in this section shall not  
6 exceed one percent, and shall be imposed solely for the purpose of providing  
7 revenues for the operation of public safety departments, including police and fire  
8 departments, and for pension programs, and health care for employees and  
9 pensioners of the public safety departments. The tax authorized in this section  
10 shall be in addition to all other sales taxes imposed by law, and shall be stated  
11 separately from all other charges and taxes. The order or ordinance shall not  
12 become effective unless the governing body of the city submits to the voters  
13 residing within the city at a state general, primary, or special election a proposal  
14 to authorize the governing body of the city to impose a tax under this section. If  
15 the tax authorized in this section is not approved by the voters, then the city  
16 shall have an additional year during which to meet its required contribution  
17 payment beyond the time period described in section 105.683. If the city meets  
18 its required contribution payment in this time, then, notwithstanding the  
19 provisions of section 105.683 to the contrary, the delinquency shall not constitute

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

20 a lien on the funds of the political subdivision, the board of such plan shall not  
 21 be authorized to compel payment by application for writ of mandamus, and the  
 22 state treasurer and the director of the department of revenue shall not withhold  
 23 twenty-five percent of the certified contribution deficiency from the total moneys  
 24 due the political subdivision from the state. The one-year extension shall only be  
 25 available to the city on a one-time basis.

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

28 Shall ..... (insert the name of the city) impose a sales tax at a  
 29 rate of ..... (up to one) percent, solely for the purpose of providing revenues for  
 30 the operation of public safety departments of the city?

31  YES  NO

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

34 If a majority of the votes cast on the question by the qualified voters voting  
 35 thereon are in favor of the question, then the tax shall become effective on the  
 36 first day of the second calendar quarter immediately following notification to the  
 37 department of revenue. If a majority of the votes cast on the question by the  
 38 qualified voters voting thereon are opposed to the question, then the tax shall not  
 39 become effective unless and until the question is resubmitted under this section  
 40 to the qualified voters and such question is approved by a majority of the  
 41 qualified voters voting on the question.

42 3. All revenue collected under this section by the director of the  
 43 department of revenue on behalf of any city, except for one percent for the cost  
 44 of collection which shall be deposited in the state's general revenue fund, shall  
 45 be deposited in a special trust fund, which is hereby created and shall be known  
 46 as the "Public Safety Protection Sales Tax Fund", and shall be used solely for the  
 47 designated purposes. Moneys in the fund shall not be deemed to be state funds,  
 48 and shall not be commingled with any funds of the state. The director may make  
 49 refunds from the amounts in the trust fund and credited to the city for erroneous  
 50 payments and overpayments made, and may redeem dishonored checks and drafts  
 51 deposited to the credit of such city. Any funds in the special trust fund which are  
 52 not needed for current expenditures shall be invested in the same manner as  
 53 other funds are invested. Any interest and moneys earned on such investments  
 54 shall be credited to the fund. The director shall keep accurate records of the  
 55 amounts in the fund, and such records shall be open to the inspection of the

56 officers of such city and to the public. Not later than the tenth day of each  
57 month, the director shall distribute all moneys deposited in the fund during the  
58 preceding month to the city. Such funds shall be deposited with the treasurer of  
59 the city, and all expenditures of moneys from the fund shall be by an  
60 appropriation ordinance enacted by the governing body of the city.

61         4. On or after the effective date of the tax, the director of revenue shall  
62 be responsible for the administration, collection, enforcement, and operation of  
63 the tax, and sections 32.085 and 32.087 shall apply. In order to permit sellers  
64 required to collect and report the sales tax to collect the amount required to be  
65 reported and remitted, but not to change the requirements of reporting or  
66 remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions  
67 of pennies, the governing body of the city may authorize the use of a bracket  
68 system similar to that authorized in section 144.285, and notwithstanding the  
69 provisions of that section, this new bracket system shall be used where this tax  
70 is imposed and shall apply to all taxable transactions. Beginning with the  
71 effective date of the tax, every retailer in the city shall add the sales tax to the  
72 sale price, and this tax shall be a debt of the purchaser to the retailer until paid,  
73 and shall be recoverable at law in the same manner as the purchase price. For  
74 purposes of this section, all retail sales shall be deemed to be consummated at the  
75 place of business of the retailer.

76         5. All applicable provisions in sections 144.010 to 144.525 governing the  
77 state sales tax, and section 32.057, the uniform confidentiality provision, shall  
78 apply to the collection of the tax, and all exemptions granted to agencies of  
79 government, organizations, and persons under sections 144.010 to 144.525 are  
80 hereby made applicable to the imposition and collection of the tax. The same  
81 sales tax permit, exemption certificate, and retail certificate required by sections  
82 144.010 to 144.525 for the administration and collection of the state sales tax  
83 shall satisfy the requirements of this section, and no additional permit or  
84 exemption certificate or retail certificate shall be required; except that, the  
85 director of revenue may prescribe a form of exemption certificate for an exemption  
86 from the tax. All discounts allowed the retailer under the state sales tax for the  
87 collection of and for payment of taxes are hereby allowed and made applicable to  
88 the tax. The penalties for violations provided in section 32.057 and sections  
89 144.010 to 144.525 are hereby made applicable to violations of this section. If any  
90 person is delinquent in the payment of the amount required to be paid under this  
91 section, or in the event a determination has been made against the person for the

92 tax and penalties under this section, the limitation for bringing suit for the  
93 collection of the delinquent tax and penalties shall be the same as that provided  
94 in sections 144.010 to 144.525.

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

99 Shall ..... (insert the name of the city) repeal the sales  
100 tax imposed at a rate of ..... (up to one) percent for the purpose of providing  
101 revenues for the operation of public safety departments of the city?

102  YES  NO

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

105 If a majority of the votes cast on the question by the qualified voters voting  
106 thereon are in favor of repeal, that repeal shall become effective on December  
107 thirty-first of the calendar year in which such repeal was approved.

108 If a majority of the votes cast on the question by the qualified voters voting  
109 thereon are opposed to the repeal, then the sales tax authorized in this section  
110 shall remain effective until the question is resubmitted under this section to the  
111 qualified voters and the repeal is approved by a majority of the qualified voters  
112 voting on the question.

113 7. The governing body of any city that has adopted the sales tax  
114 authorized in this section shall submit the question of [repeal] **continuation** of  
115 the tax to the voters every five years from the date of its inception on a date  
116 available for elections for the city. The ballot of submission shall be in  
117 substantially the following form:

118 Shall ..... (insert the name of the city) [repeal the]  
119 **continue collecting a** sales tax imposed at a rate of ..... (up to one) percent  
120 for the purpose of providing revenues for the operation of public safety  
121 departments of the city?

122  YES  NO

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

125 If a majority of the votes cast on the question by the qualified voters voting  
126 thereon are [in favor of repeal, that] **opposed to continuation**, repeal shall  
127 become effective on December thirty-first of the calendar year in which such

128 [repeal was] **continuation was failed to be** approved. If a majority of the  
129 votes cast on the question by the qualified voters voting thereon are [opposed to  
130 the repeal] **in favor of continuation**, then the sales tax authorized in this  
131 section shall remain effective until the question is resubmitted under this section  
132 to the qualified voters and [the repeal is] **continuation fails to be** approved by  
133 a majority of the qualified voters voting on the question.

134 8. Whenever the governing body of any city that has adopted the sales tax  
135 authorized in this section receives a petition, signed by a number of registered  
136 voters of the city equal to at least two percent of the number of registered voters  
137 of the city voting in the last gubernatorial election, calling for an election to  
138 repeal the sales tax imposed under this section, the governing body shall submit  
139 to the voters of the city a proposal to repeal the tax. If a majority of the votes  
140 cast on the question by the qualified voters voting thereon are in favor of the  
141 repeal, the repeal shall become effective on December thirty-first of the calendar  
142 year in which such repeal was approved. If a majority of the votes cast on the  
143 question by the qualified voters voting thereon are opposed to the repeal, then the  
144 sales tax authorized in this section shall remain effective until the question is  
145 resubmitted under this section to the qualified voters and the repeal is approved  
146 by a majority of the qualified voters voting on the question.

147 9. If the tax is repealed or terminated by any means, all funds remaining  
148 in the special trust fund shall continue to be used solely for the designated  
149 purposes, and the city shall notify the director of the department of revenue of  
150 the action at least ninety days before the effective date of the repeal and the  
151 director may order retention in the trust fund, for a period of one year, of two  
152 percent of the amount collected after receipt of such notice to cover possible  
153 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
154 deposited to the credit of such accounts. After one year has elapsed after the  
155 effective date of abolition of the tax in such city, the director shall remit the  
156 balance in the account to the city and close the account of that city. The director  
157 shall notify each city of each instance of any amount refunded or any check  
158 redeemed from receipts due the city.

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