

SECOND REGULAR SESSION

SENATE BILL NO. 1040

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CASKEY.

Read 1st time February 22, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4421S.03I

AN ACT

To repeal sections 143.011, 143.071, 144.021, 144.440, 144.700, 144.701, 163.022, 163.032 and 164.013, RSMo 1994, and sections 137.073, 144.020, 144.190, 162.975, 163.011, 163.021, 163.031, 163.087 and 163.161, RSMo Supp. 1999, relating to funding for public schools, and to enact in lieu thereof fourteen new sections relating to the same subject, with an effective date for a certain section and a referendum clause.

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

Section A. Sections 143.011, 143.071, 144.021, 144.440, 144.700, 144.701, 163.022, 163.032 and 164.013, RSMo 1994, and sections 137.073, 144.020, 144.190, 162.975, 163.011, 163.021, 163.031, 163.087 and 163.161, RSMo Supp. 1999, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 137.073, 143.011, 143.071, 144.020, 144.021, 144.190, 144.440, 144.700, 144.701, 162.975, 163.011, 163.021, 163.031 and 163.161, to read as follows:

137.073. 1. As used in this section, the following terms mean:

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

(2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;

(3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other

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

provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year pursuant to subsection 2 of section 163.021, RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;

(4) "Tax revenue", when referring to the previous year, means the actual receipts from ad valorem levies on all classes of property, including state-assessed property, in the immediately preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected in the fiscal year and plus an additional allowance for the revenue which would have been collected from property which was annexed by such political subdivision but which was not previously used in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by the assessor of a county or city in the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes pursuant to chapter 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax pursuant to section 67.505, RSMo, [and section 164.013, RSMo,] in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of political subdivisions which were authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. Whenever changes in assessed valuation are entered in the assessor's books, the county clerk in all counties and the assessor of St. Louis city shall notify each political subdivision wholly or partially within the county or St. Louis city of the change in valuation, exclusive of new construction and improvements. All political subdivisions shall immediately revise the rates of levy for each purpose for which taxes are levied to the extent necessary to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of tax revenue as was produced in the previous year, except that the rate may not exceed the greater of the rate in effect in the 1984 tax year or the most recent voter-approved rate. As provided in section 22 of article X of the constitution, a political subdivision may also revise each levy to allow for inflationary assessment growth occurring within the political subdivision. The inflationary growth factor shall be limited to the actual assessment growth within the political subdivision, exclusive of new construction and improvements, but not to exceed the consumer price index or five percent, whichever is lower.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, RSMo, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling in the prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for the three-year period preceding such determination.

4. (1) In order to implement the provisions of this section and section 22 of article X of the Constitution of Missouri, the term "improvements" shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from

ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. The assessor shall certify the amount of new construction and improvements for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and section 22, article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on June first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and section 22 of article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and section 22 of article X of the Missouri Constitution, the term "property" means all taxable property, including state assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and section 22 of article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505, RSMo[, and section 164.013, RSMo]. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with section 22 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505, RSMo, [and section 164.013, RSMo,] shall be applied to the tax rate as established pursuant to this section and section 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate

increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval.

6. Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. The county clerk shall forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The auditor's findings are advisory for the information of the taxing authority and the public.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or

fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031, RSMo. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. A taxing authority, including but not limited to a township, county collector, or collector of taxes, responsible for determining and collecting the amount of residential real property tax levied in its jurisdiction, shall report such amount of tax collected by December thirty-first of each year such property is assessed, to the state tax commission. The state tax commission shall compile the tax data by county or taxing jurisdiction and submit a report to the general assembly no later than January thirty-first of the following year.

143.011. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in

section 143.021, which is based upon the following rates:

If the Missouri taxable income is:

The tax is:

Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

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, 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;

(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 or use of motor vehicles, trailers, boats, and outboard motors shall be taxed and the tax paid as provided in sections 144.070 and 144.440. No tax shall be collected on the rental or lease of motor vehicles, trailers, boats, and outboard motors, except as provided in sections 144.070 and 144.440. 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."

144.021. The purpose and intent of sections 144.010 to 144.510 is to impose a tax upon the privilege of engaging in the business, in this state, of selling tangible personal property and those services listed in section 144.020. The primary tax burden is placed upon the seller making the taxable sales of property or service and is levied at the rate provided for in section 144.020. Excluding sections 144.070, 144.440 and 144.450, the extent to which a seller is required to collect the tax from the purchaser of the taxable property or service is governed by section 144.285 and in no way affects sections 144.080 and 144.100, which require all sellers to report to the director of revenue their "gross receipts", defined herein to mean the aggregate amount of the sales price of all sales at retail, and remit tax at four percent of their gross receipts.

144.190. 1. If a tax has been incorrectly computed by reason of a clerical error or mistake on the part of the director of revenue, such fact shall be set forth in the records of the director of revenue, and the amount of the overpayment shall be credited on any taxes then due from the person legally obligated to remit the tax pursuant to sections 144.010 to 144.525, and the balance shall be refunded to the person legally obligated to remit the tax, such person's administrators or executors, as provided for in section 144.200.

2. If any tax, penalty or interest has been paid more than once, or has been erroneously or illegally collected, or has been erroneously or illegally computed, such sum shall be credited on any taxes then due from the person legally obligated to remit the tax pursuant to sections 144.010 to 144.510, and the balance, with interest as determined by section 32.065, RSMo, shall be refunded to the person legally obligated to remit the tax, but no such credit or refund shall be allowed unless duplicate copies of a claim for refund are filed within three years from date of overpayment.

3. Every claim for refund must be in writing under oath, and must state the specific grounds upon which the claim is founded. Any refund or any portion thereof which is erroneously made, and any credit or any portion thereof which is erroneously allowed, may be recovered in any action brought by the director of revenue against the person legally obligated to remit the tax. In the event that a tax has been illegally imposed against a person legally obligated to remit the tax, the director of revenue shall authorize the cancellation of the tax upon the director's record.

4. Notwithstanding the provisions of this section, the director of revenue shall authorize direct-pay agreements to purchasers which have annual purchases in excess of seven hundred fifty thousand dollars pursuant to rules and regulations adopted by the director of revenue. For the

purposes of such direct-pay agreements, the taxes authorized pursuant to chapters 66, RSMo, 67, RSMo, 92, RSMo, and 94, RSMo, shall be remitted based upon the location of the place of business of the purchaser.

144.440. 1. In addition to all other taxes now or hereafter levied and imposed upon every person for the privilege of using the highways or waterways of this state, there is hereby levied and imposed a tax equivalent to four percent of the purchase price, as defined in section 144.070, which is paid or charged on new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or waters of this state which are required to be registered under the laws of the state of Missouri.

2. At the time the owner of any such motor vehicle, trailer, boat, or outboard motor makes application to the director of revenue for an official certificate of title and the registration of the same as otherwise provided by law, he shall present to the director of revenue evidence satisfactory to the director showing the purchase price paid by or charged to the applicant in the acquisition of the motor vehicle, trailer, boat, or outboard motor, or that the motor vehicle, trailer, boat, or outboard motor is not subject to the tax herein provided and, if the motor vehicle, trailer, boat, or outboard motor is subject to the tax herein provided, the applicant shall pay or cause to be paid to the director of revenue the tax provided herein.

3. In the event that the purchase price is unknown or undisclosed, or that the evidence thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisalment by the director.

4. No certificate of title shall be issued for such motor vehicle, trailer, boat, or outboard motor unless the tax for the privilege of using the highways or waters of this state has been paid or the vehicle, trailer, boat, or outboard motor is registered under the provisions of subsection 5 of this section.

5. The owner of any motor vehicle, trailer, boat, or outboard motor which is to be used exclusively for rental or lease purposes may pay the tax due thereon required in section 144.020 at the time of registration or in lieu thereof may pay a use tax as provided in sections 144.010, 144.020, 144.070 and 144.440. A use tax shall be charged and paid on the amount charged for each rental or lease agreement while the motor vehicle, trailer, boat, or outboard motor is domiciled in the state. If the owner elects to pay upon each rental or lease, he shall make an affidavit to that effect in such form as the director of revenue shall require and shall remit the tax due at such times as the director of revenue shall require.

6. In the event that any leasing company which rents or leases motor vehicles, trailers, boats, or outboard motors elects to collect a use tax, all of its lease receipt would be subject to the use tax, regardless of whether or not the leasing company previously paid a sales tax when the vehicle, trailer, boat, or outboard motor was originally purchased.

7. The provisions of this section, and the tax imposed by this section, shall not apply to

manufactured homes.

144.700. 1. All revenue received by the director of revenue from the tax imposed by sections 144.010 to 144.430 and 144.600 to 144.745, except that revenue derived from the rate of one cent on the dollar of the tax which shall be held and distributed in the manner provided in sections 144.701 and 163.031, RSMo, shall be deposited in the state general revenue fund, including any payments of the taxes made under protest.

2. The director of revenue shall keep accurate records of any payment of the tax made under protest. In the event any payment shall be made under protest:

(1) A protest affidavit shall be submitted to the director of revenue within thirty days after the payment is made; and

(2) An appeal shall be taken in the manner provided in section 144.261 from any decision of the director of revenue disallowing the making of the payment under protest or an application shall be filed by a protesting taxpayer with the director of revenue for a stay of the period for appeal on the ground that a case is presently pending in the courts involving the same question, with an agreement by the taxpayer to be bound by the final decision in the pending case.

3. Nothing in this section shall be construed to apply to any refund to which the taxpayer would be entitled under any applicable provision of law.

4. All payments deposited in the state general revenue fund that are made under protest shall be retained in the state treasury if the taxpayer does not prevail. If the taxpayer prevails, then taxes paid under protest shall be refunded to the taxpayer, with all interest income derived therefrom, from funds appropriated by the general assembly for such purpose.

144.701. The revenue derived from the rate of one cent on the dollar of the tax imposed by sections 144.010 to 144.430 and sections 144.600 to 144.745 which shall be deemed to be local tax revenue, shall be deposited by the state treasurer in a special trust fund, which is hereby created, to be known as the "School District Trust Fund". The money in the fund shall be distributed to the public school districts of the state in the manner provided in sections 163.031 and 163.087, RSMo, and shall be appropriated and used for no other purpose; except that, of all refunds made of taxes collected under the provisions of sections 144.010 to 144.430 and sections 144.600 to 144.745, the appropriate percentage of any refund shall be paid from the school district trust fund, and except that the state may retain a fee as a charge for collecting and disbursing moneys so deposited, and transfers may be made from the fund as provided in section 164.013, RSMo. The state collection fee shall not exceed two and one-half million dollars or one percent of the amount deposited in the fund, whichever is less. The fee shall be negotiated annually through the appropriation process. Any balance remaining in the fund at the end of an appropriation period shall not be transferred to general revenue, and the provisions of section 33.080, RSMo, shall not apply to the fund. Moneys in the trust fund shall be invested by the state treasurer in the same deposits and obligations in which state funds are authorized by law to be invested, except

that the deposits and obligations shall mature and become payable in time for distribution of the funds as provided in sections 163.031 and 163.087, RSMo.

162.975. 1. Each school district or special school district which provides approved special education services for handicapped or severely handicapped children under sections 162.670 to 162.995 or approved extended school year services for such children, shall be entitled under section 163.031, RSMo, to receive state aid. Additional state aid for such programs shall be allocated as follows in the following order of priority:

(1) A school district or special school district shall receive state aid for each child receiving services on homebound status or served by contractual arrangement with a private or public agency approved by the department of elementary and secondary education. The amount paid from state aid for such services shall be adjusted annually by the percent change in the appropriation of state funds to this section for the current fiscal year compared with that for the first preceding fiscal year.

(2) A school district or special school district shall receive state aid for approved extended school year services for handicapped or severely handicapped children. Prior to full implementation of subdivisions (4), (5) and (6) of this subsection, state aid paid for each approved staff member shall bear the same ratio to the amount payable for such staff during the immediate preceding school year as the ratio of the number of hours in the approved extended school year program bears to the number of hours in regular term programs for each respective school district or special school district approved under this section; provided that this amount shall be adjusted annually by the percentage change in the appropriation of state funds to this section for the current fiscal year compared with the appropriation level for the first preceding fiscal year. After full implementation of subdivisions (4), (5) and (6) of this subsection, state aid shall be paid for each approved staff in an amount which bears the same ratio to the amount payable for such staff during the immediate preceding school year as the ratio of the number of hours in the approved extended school year program bears to the number of hours in regular term programs for each respective school district or special school district approved pursuant to this section; provided that the amount payable per approved staff member pursuant to this subdivision for the year of full implementation of subdivisions (4), (5) and (6) of this subsection and thereafter shall be, on a prorated basis, two times the amount payable per approved staff member pursuant to subdivision (4) of this subsection for the current school year.

(3) The division of youth services within the Missouri department of social services shall receive state aid for approved special education services. State aid shall be paid for each full-time equivalent professional and paraprofessional staff member approved by the department of elementary and secondary education at the rate paid during the first full fiscal year preceding the year in which this section becomes effective plus an annual adjustment equal to the percent change in the appropriation of state funds to this section for the current fiscal year compared with

the appropriation level for the first preceding year.

(4) A school district or special school district shall receive state aid for approved professional and paraprofessional staff who are employed or contracted to provide special education services for handicapped and severely handicapped children, including staff used by a school district or special school district to provide services before and after the normal school day for students attending nonpublic schools, who are in compliance with section 167.031, RSMo. Each school district or special school district employing or contracting for professional services or paraprofessional staff in the provision of special education services, as defined and approved by the department of elementary and secondary education, shall receive state aid at a full-time equivalent rate based upon the total allocation of funds pursuant to this subdivision, after sufficient funds are allocated for subdivisions (1), (2) and (3) of this subsection. Paraprofessional staff shall be paid at one-half the rate paid full-time equivalents of professional staff and contractors.

(5) Each school district or special school district providing special education services for handicapped or severely handicapped children shall receive state aid pursuant to section 163.031, RSMo, for each such eligible pupil, and such school district shall receive state aid for each child domiciled in the district and enrolled in a nonpublic school, who are in compliance with section 167.031, RSMo. The per resident student rate paid for students enrolled in nonpublic schools shall be one-half that paid per eligible pupil for students enrolled in a school district or special school district.

(6) No more than fifty percent of the total state aid appropriated pursuant to subdivisions (4) and (5) of this subsection shall be distributed pursuant to subdivision (5) of this subsection. No less than fifty percent of the state aid appropriated pursuant to subdivisions (4) and (5) of this subsection shall be distributed pursuant to subdivision (4) of this subsection. A sufficient share of the funds appropriated pursuant to this subsection shall be appropriated pursuant to subdivisions (1), (2) and (3) of this subsection to meet the requirements of those subdivisions. To the extent allowed by appropriations, the share of funds appropriated pursuant to subdivisions (4) and (5) of this subsection under subdivision (5) shall be increased until that share is equal to fifty percent, at which time subdivisions (4), (5) and (6) of this subsection shall be considered fully implemented, and such share shall remain equal to fifty percent for all years thereafter. No district shall receive less state aid under this section than received during the year preceding that when the phased implementation was begun.

(7) Contractors providing professional services funded under this section shall meet the state licensing and certification requirements appropriate to their contracted duties, as determined by the department of elementary and secondary education.

2. For approved special education and related services provided for handicapped and severely handicapped children under five years of age, but not under the age of three, entitlements

for state aid established pursuant to this section and distributed pursuant to section 163.031, RSMo, shall not exceed ninety percent of the cost of the programs as specified in project applications and approved by the department of elementary and secondary education. Such programs shall not be eligible to receive funds allocated pursuant to subsection 1 of this section.

3. Each school district or special school district which provides an approved remedial reading program under provisions of sections 162.670 to 162.995 shall receive state aid established pursuant to this subsection and distributed pursuant to section 163.031, RSMo. The amount paid from state aid for such services per full-time equivalent remedial reading teacher shall be adjusted annually by the percentage change in the appropriation of state funds for the state school aid district entitlements as established pursuant to section 163.031, RSMo, for the current fiscal year compared with that for the first preceding fiscal year. Such programs shall not be eligible to receive funds allocated pursuant to subsection 1 of this section.

4. For approved programs for gifted children, districts shall receive state aid under section 163.031, RSMo, not to exceed seventy-five percent of the cost of instructional personnel and special materials listed in project applications and approved by the department of elementary and secondary education. Such programs shall not be eligible to receive funds allocated pursuant to subsection 1 of this section.

163.011. As used in this chapter unless the context requires otherwise:

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the second preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the second preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district income ratio minus one, except that the district income factor [applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994,] shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

(2) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011, RSMo;

(3) "Average daily attendance" means the quotient or the sum of the quotients obtained

by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the following school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

(4) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts;

(5) ["District's target rate", the district's average percentage of pupils from fiscal years 2000 to 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts plus one percentage point for each year after fiscal year 2005 except that the district's target rate shall not exceed the statewide average percentage from fiscal year 2000 to fiscal year 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts;

(6) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

[(7)] **(6)** "Eligible pupils" shall be the sum of the average daily attendance of the school term plus [the product of two times] the average daily attendance for summer school;

[(8)] **(7)** "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio

of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;

[(9)] (8) "Fiscal instructional ratio of efficiency", the quotient of the sum of the district's current operating costs for all kindergarten through grade twelve direct instructional and direct pupil support service functions plus the costs of improvement of instruction and the cost of purchased services and supplies for operation of the facilities housing those programs, excluding student activities, divided by the sum of the district's current operating cost for kindergarten through grade twelve, plus all tuition revenue received from other districts minus all noncapital transportation costs;

(9) "Formula base amount per eligible pupil", the amount of entitlement per pupil established pursuant to subsection 1 of section 163.031 based upon appropriations, proration and local deductions made pursuant to subsection 2 of section 163.031;

(10) "Free and reduced lunch eligible pupil count", the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;

(11) "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls during the third preceding year and shall be equal to the state average equalized assessed valuation per eligible pupil for the third preceding year times two and one hundred and sixty-seven thousandths; except that, for the purposes of line 14(b) the guaranteed tax base shall be no greater than the guaranteed tax base used for the 1998-99 payment year. The average equalized assessed valuation per pupil shall be the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;

(12) "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident

full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

(13) "Operating levy for school purposes" [for districts making transfers pursuant to subsection 4 of section 165.011, RSMo, based upon amounts multiplied by the guaranteed tax base, or making payments or expenditures related to obligations made pursuant to section 177.088, RSMo, or any combination of such transfers, payments or expenditures,] means the sum of tax rates levied for teachers' and incidental funds [plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district, in the payment year, and, for other districts, means the sum of tax rates levied for incidental, teachers', debt service and capital projects funds plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district, with no more than eighteen cents of the sum levied in the debt service and capital projects funds] **in the payment year.** [Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bond. The operating levy shall be, after all adjustments and equalization of the operating levy, no greater than a maximum value of four dollars and ninety-five cents per one hundred dollars assessed valuation, except that the operating levy shall be no greater than a maximum value of four dollars and seventy cents per one hundred dollars assessed valuation for the purposes of line 2 of subsection 6 of section 163.031. To equalize the operating levy, multiply the aggregate tax rates for teachers' and incidental funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which

the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample consisting of the parcels used as a sample in the original study combined with an equal number of newly selected parcels. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision (8) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; except that whenever the actual current operating levy equals or exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement, except that whenever the actual current operating levy is increased by school board action prior to January 1, 2000, or by district voter approval at any time, to a level which equals or exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the districts entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated after five years and shall not thereafter be applied in determining the tax rate used to calculate the district entitlement];

(14) "School purposes" pertains to teachers' and incidental funds;

(15) "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri.

163.021. 1. A school district shall receive state aid for its education program only if it:

(1) Provides for a minimum of one hundred seventy-four days and one thousand forty-four hours of actual pupil attendance in a term scheduled by the board pursuant to section 160.041, RSMo, for each pupil or group of pupils, except that the board shall provide a minimum of one hundred seventy-four days and five hundred twenty-two hours of actual pupil attendance in a

term for kindergarten pupils. If any school is dismissed because of inclement weather after school has been in session for three hours, that day shall count as a school day including afternoon session kindergarten students. When the aggregate hours lost in a term due to inclement weather decreases the total hours of the school term below the required minimum number of hours by more than twelve hours for all-day students or six hours for one-half-day kindergarten students, all such hours below the minimum must be made up in one-half day or full day additions to the term, except as provided in section 171.033, RSMo;

(2) Maintains adequate and accurate records of attendance, personnel and finances, as required by the state board of education, which shall include the preparation of a financial statement which shall be submitted to the state board of education the same as required by the provisions of section 165.111, RSMo, for districts;

(3) Levies an operating levy for school purposes of not less than [one dollar and twenty-five cents after all adjustments and reductions on each one hundred dollars assessed valuation of the district] **the minimum operating levy for school purposes;**

(4) Computes average daily attendance as defined in subdivision (2) of section 163.011 as modified by section 171.031, RSMo. Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed.

2. [Beginning with the tax year which commences January 1, 1998, and for the 1998-99 school year and subsequent tax and school years, no school district shall receive more state aid, as calculated under section 163.031 for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for school purposes, as determined pursuant to section 163.011, of not less than two dollars and seventy-five cents after all adjustments and reductions, with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031; except that, beginning in the 1997-98 school year, any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under this subsection shall not be construed to be in violation of this subsection for making such tax rate reduction. Pursuant to section 10(c) of article X of the state constitution, a school district may levy the operating levy for school purposes required by this subsection less all adjustments required pursuant to article X, section 22 of the Missouri Constitution if such rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. Nothing in this section shall be construed to mean that a school district is guaranteed to receive an amount not less than the amount the school district received per eligible pupil for the school year 1990-91. The provisions

of this subsection shall not apply to any school district located in a county of the second classification which has a nuclear power plant located in such district or to any school district located in a county of the third classification which has an electric power generation unit with a rated generating capacity of more than one hundred fifty megawatts which is owned or operated or both by a rural electric cooperative except that such school districts may levy for current school purposes and capital projects an operating levy not to exceed two dollars and seventy-five cents less all adjustments required pursuant to article X, section 22 of the Missouri Constitution.

3.] No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the state board of education determines that the district was not in compliance in the preceding school year with the requirements of section 163.172, until such time as the board determines that the district is again in compliance with the requirements of section 163.172.

[4.] 3. The department of elementary and secondary education shall evaluate the correlation between district tax rates and district assessed valuation per pupil following each biennial property tax reassessment and shall report its findings to the governor and the general assembly by December first of the year following each reassessment. The findings shall include a calculation of the minimum required property tax rate necessary to maintain a correlation of zero or less between district property tax rate and district assessed valuation per pupil and a report of assessed valuation per pupil and district property tax rate for all districts.

[5.] 4. No school district shall receive state aid, pursuant to section 163.031, if such district was not in compliance, during the preceding school year, with the requirement, established pursuant to section 160.530, RSMo, to allocate revenue to the professional development committee of the district.

[6.] 5. No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the district did not comply in the preceding school year with the requirements of subsection 7 of section 163.031.

[7.] 6. No school district shall receive state aid, pursuant to section 163.031, if the district failed to make a required payment in the preceding year to the school building revolving fund pursuant to section 166.300, RSMo.

[163.022. Provisions of other law to the contrary notwithstanding, the provisions of subsection 2 of section 163.021 shall not apply to any elementary school district located in a county with a population of between thirty-five thousand and thirty-six thousand residents that contains the majority of at least five school districts.]

[163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the

number of eligible pupils by the lesser of the district's equalized operating levy for school purposes as defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus an amount determined by multiplying the number of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection; provided that, if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five hundredths.

2. From the district entitlement for each district there shall be deducted the following amounts: an amount determined by multiplying the district equalized assessed valuation by the district's equalized operating levy for school purposes times the district income factor plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year; one hundred percent of the amount received the previous year for school purposes from intangible taxes, fines, forfeitures and escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax, except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as defined by the department of natural resources rule shall not be included; one hundred percent of the amounts received the previous year for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty percent, or the percentage otherwise provided in section 163.087, of Proposition C revenues received the previous year for school purposes from the school district trust fund pursuant to section 163.087; one hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent of the amount received the previous year for school purposes from the free

textbook fund, pursuant to section 148.360, RSMo.

3. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. There shall be individual proration factors for each categorical entitlement provided for in this subsection, and each proration factor shall be determined by annual appropriations, but no categorical proration factor shall exceed the entitlement proration factor established pursuant to subsection 1 of this section, except that the vocational education entitlement proration factor established pursuant to line 16 of subsection 6 of this section and the educational and screening program entitlements proration factor established pursuant to line 17 of subsection 6 of this section may exceed the entitlement proration factor established pursuant to subsection 1 of this section. The categorical add-on for the district shall be the sum of: seventy-five percent of the district allowable transportation costs pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed cost entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration factor; seventy-five percent of the district gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, multiplied by twenty percent, for a district with an operating levy in excess of two dollars and seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one hundred dollars assessed valuation times the proration factor plus the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, times thirty percent times the guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the district's operating levy for school purposes minus two dollars and seventy-five cents per one hundred dollars assessed valuation) times one or, beginning in the fifth year following the effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered state desegregation aid received by the district for operating purposes; the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by the proration factor; the vocational education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and the district educational and screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the proration factor.

4. Each district's apportionment shall be the prorated categorical add-ons plus the

greater of the district's prorated entitlement minus the total deductions for the district or zero.

5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy for school purposes to the extent necessary for the district to at least maintain the current operating expenditures per pupil received by the district from all sources in the 1992-93 school year, except that its operating levy for school purposes shall not exceed the highest tax rate in effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section 163.021, whichever is less.

(2) The revenue per eligible pupil received by a district from the following sources: line 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of this section, shall not be less than the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount, whichever is greater. The department of elementary and secondary education shall make an addition in the payment amount of line 19 of subsection 6 of this section to assure compliance with the provisions contained in this section.

(3) For any school district which meets the eligibility criteria for state aid as established in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for two successive school years, other than categorical add-ons, by August first following the second such school year, the commissioner of education shall present a plan to the superintendent of the school district for the waiver of rules and the duration of said waivers, in order to promote flexibility in the operations of the district and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the plan presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements otherwise imposed on the school district related to the authority of the state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such waivers shall not include

the provisions established pursuant to sections 160.514 and 160.518, RSMo.

(4) In the 1993-94 school year and each school year thereafter for two years, those districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the authority of a school district to raise its district operating levy pursuant to subdivision (1) of this subsection.

(5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision (4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the outstanding schools trust fund as otherwise provided by law.

6. State aid shall be determined as follows:

District Entitlement

1(a). Number of eligible pupils x (lesser of district's

equalized operating levy for school purposes or
 two dollars and seventy-five cents per one
 hundred dollars assessed valuation) x (proration
 x GTB per EP) \$.....

1(b). Number of eligible pupils x (greater of: 0, or
 district's equalized operating levy for
 school purposes minus two dollars and
 seventy-five cents per one hundred dollars
 assessed valuation) x (proration x GTB per EP) \$.....

Deductions

2. District equalized assessed valuation x district
 income factor x district's equalized operating
 levy for school purposes plus ninety percent
 of any payment received the current year of
 protested taxes due in prior years no earlier
 than the 1997 tax year minus the amount
 of any protested taxes due in the current year
 and for which notice of protest was received
 during the current year \$.....

3. Intangible taxes, fines, forfeitures, escheats,
 payments in lieu of taxes, etc. (100% of the
 amount received the previous year for
 school purposes) \$.....

4. Receipts from state assessed railroad and
 utility tax (100% of the amount received
 the previous year for school purposes) \$.....

5. Receipts from federal properties pursuant
 to sections 12.070 and 12.080, RSMo
 (100% of the amount received the previous
 year for school purposes) \$.....

6. (Federal impact aid received the previous
 year for school purposes pursuant to P.L.
 81-874 less \$50,000) x 90% or the
 maximum percentage allowed by federal
 regulations if less than 90% \$.....

7. Fifty percent or the percentage otherwise
 provided in section 163.087 of Proposition C

Unofficial

Bill

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receipts from the school district trust fund received the previous year for school purposes pursuant to

section 163.087 \$.....

8. One hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo \$.....

9. One hundred percent of the amount received the previous year for school purposes from the free textbook fund pursuant to section 148.360, RSMo \$.....

10. Total deductions (sum of lines 2-9) \$.....
Categorical Add-ons

11. The amount distributed pursuant to section 163.161 x proration \$.....

12. Special education approved or allowed cost entitlement for the district pursuant to section 162.975, RSMo, x proration \$.....

13. Seventy-five percent of the gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, x proration \$.....

14(a). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011, x .20, if operating levy in excess of \$2.75, or .22, otherwise x GTB per EP x \$2.75 per \$100 AV x proration \$.....

14(b). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011 x .30 x GTB x ((the greater of zero or the district's adjusted operating levy minus \$2.75 per \$100 AV) x (1.0 or, beginning in the fifth year following the effective date of this section, the district's FIRE for the prior year/statewide average FIRE for FY 1998, if the district's prior year FIRE is at least five percent below the FY 1998 statewide

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- average FIRE) x proration) - court-ordered state
 desegregation aid received by the district for
 operating purposes \$.....
15. Career ladder entitlement for the district as
 provided for in sections 168.500 to 168.515,
 RSMo, x proration \$.....
16. Vocational education entitlements for the
 district as provided in section 167.332,
 RSMo, x proration \$.....
17. Educational and screening program entitlements
 for the district as provided in sections 178.691
 to 178.699, RSMo, x proration \$.....
18. Sum of categorical add-ons for the district
 (sum of lines 11-17) \$.....
19. District apportionment (line 18 plus the greater
 of line 1 minus line 10 or zero) \$.....

7. Revenue received for school purposes by each school district pursuant to this section shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax rate in the district for that fund to the total tax rate in the district for the two funds.

8. In addition to the penalty for line 14 described in subsection 6 of this section, beginning in school year 2004-05, any increase in a school district's funds received pursuant to line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one percent for each full percentage point the percentage of the district's pupils scoring at or above five percent below the statewide average level on either mathematics or reading is less than sixty-five percent.

9. If a school district's annual audit discloses that students were inappropriately identified as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the department of elementary and secondary education shall require that the amount of line 14 aid paid on the inappropriately identified pupils be repaid by the district in the next school year and shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils, which penalty shall also be paid within the next school year. Such amounts may be repaid by the district through the withholding of the amount of state aid.]

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the formula base amount per eligible pupil times the

proration factor. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection.

2. From the district entitlement for each district there shall be deducted the following amounts: the district's equalized assessed valuation times the minimum operating levy for school purposes; the greater of zero or the district's income factor times fifty percent of the following amount: the amount of current taxes received by the district the previous school year for school purposes plus any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year minus ten percent of the formula base amount per eligible pupil times the district's number of eligible pupils minus the district's equalized assessed valuation times the minimum operating levy for school purposes; one hundred percent of the amount received the previous year for school purposes from payments in lieu of taxes and receipts from state assessed railroad and utility tax; one hundred percent of the amounts received the previous year for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation if that percentage is less than ninety; one hundred percent of the amount received the previous year for school purposes from intangible taxes; one hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent of the amount received the previous year for school purposes from the free textbook fund, pursuant to section 148.360, RSMo.

3. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. There shall be individual proration factors for each categorical entitlement provided for in this subsection, and each proration factor shall be determined by annual appropriations. The categorical add-on for the district shall be the sum of: transportation aid pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed extraordinary cost entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration factor; the free and reduced lunch eligible pupil count for the district multiplied by the greater of zero or the free and reduced lunch eligible pupil enrollment fraction for the district, as defined in section 163.011 less the statewide

average free and reduced lunch eligible pupil enrollment fraction, multiplied by twenty-five percent times the formula base amount per eligible pupil times the proration factor; the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by the proration factor; the vocational education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and the district educational and screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the proration factor.

4. Each district's apportionment shall be the prorated categorical add-ons plus the greater of the district's prorated entitlement minus the total deductions for the district or zero.

5. (1) School districts which are participating in or have completed a comprehensive school improvement plan pursuant to section 160.563 shall receive per pupil aid pursuant to this section as follows:

(a) For the 2000-01 school year, state aid shall be one-half of the per pupil amount calculated pursuant to subsection 6 of this section plus one-half of the per pupil amount received pursuant to this section for the 1999-2000 school year; and

(b) For the 2001-02 school year and thereafter, state aid shall be the per pupil amount calculated pursuant to subsection 6 of this section.

(2) Other school districts shall receive per pupil aid pursuant to this section as follows:

(a) For the 2000-01 school year, state aid shall be one-third of the per pupil amount calculated pursuant to subsection 6 of this section plus two-thirds of the per pupil amount received pursuant to this section for the 1999-2000 school year; and

(b) For the 2001-02 school year, state aid shall be two-thirds of the per pupil amount calculated pursuant to subsection 6 of this section plus one-third of the per pupil amount received pursuant to this section for the 1999-2000 school year; and

(c) For the 2002-03 school year and thereafter, state aid shall be the per pupil amount calculated pursuant to subsection 6 of this section.

6. State aid shall be determined as follows:

District Entitlement

1. Number of eligible pupils x base formula
 amount per eligible pupil x proration \$.....

Deductions

2. (District's equalized assessed valuation x
 minimum operating levy for school purposes)
 + Greater of zero or district's income factor
 x 50% x (current taxes received for school
 purposes plus any payment received the current

year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year minus (10% x formula base amount per EP x number of eligible pupils) minus (district's equalized assessed valuation x minimum operating levy for school purposes)) \$.....

3. Payments in lieu of taxes, etc. (100% of the amount received the previous year for school purposes) \$.....

4. Receipts from state assessed railroad and utility tax (100% of the amount received the previous year for school purposes) \$.....

5. Receipts from federal properties pursuant to sections 12.070 and 12.080, RSMo (100% of the amount received the previous year for school purposes) \$.....

6. (Federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less \$50,000) x 90% or the maximum percentage allowed by federal regulations if less than 90% \$.....

7. Intangible taxes (100% of the amount received the previous year for school purposes pursuant to chapter 150, RSMo) \$.....

8. One hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo \$.....

9. One hundred percent of the amount received the previous year for school purposes from the free textbook fund pursuant to section 148.360, RSMo \$.....

10. Total deductions (sum of lines 2-9) \$.....

Categorical Add-ons

11. The amount distributed pursuant to section

- 163.161 x proration** \$.....
- 12. Special education approved or allowed extraordinary cost entitlement for the district pursuant to section 162.975, RSMo, x proration** \$.....
- 13. Educational and screening program entitlements for the district as provided in sections 178.691 to 178.699, RSMo, x proration** \$.....
- 14. District eligible pupil count, as defined in section 163.011, x greater of: (0 or district's free and reduced price lunch eligible enrollment fraction minus the statewide average free and reduced price lunch eligible enrollment fraction) .25 x formula base amount per eligible pupil x proration** \$.....
- 15. Career ladder entitlement for the district as provided for in sections 168.500 to 168.515, RSMo, x proration** \$.....
- 16. Vocational education entitlements for the district as provided in section 167.332, RSMo, x proration** \$.....
- 17. Sum of categorical add-ons for the district (sum of lines 11-16)** \$.....
- 18. District apportionment (line 17 plus the greater of line 1 minus line 10 or zero)** \$.....

[163.032. Other provisions of law to the contrary notwithstanding, beginning with the 1994-95 school year, the revenue per eligible pupil received by a district from the following sources under subsection 6 of section 163.031: line one minus line ten, or zero if line one minus line ten is less than zero, plus line fourteen; plus the product of the current assessed valuation of the district multiplied by the following tax rate - the greater of zero or the minimum rate required for the current year by subsection 2 of section 163.021, minus the sum of the district's equalized operating levy for school purposes of 1993 and any equalized operating levy for school purposes levied for 1993 by a special school district in which the district is located, shall not be less than the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount. The department of elementary and secondary education shall make an addition in the payment amount of line nineteen of subsection 6 of section

163.031 to assure compliance with the provisions contained in this section. For all purposes of law, a school district's equalized operating levy for school purposes does not include any equalized operating levy for school purposes levied by a special school district in which the district is located.]

[163.087. 1. Money in the school district trust fund shall be distributed to each school district in the state in the same ratio that the number of eligible pupils in the district bears to the total number of eligible pupils in all such school districts for the preceding year, except as otherwise provided in section 163.031. As used in the preceding sentence, the term "eligible pupils" has the meaning ascribed to it in section 163.011. In addition, each such district which is providing an approved program for pupils residing on federal lands shall receive an amount which shall be determined as follows: An eligible pupil count for pupils residing on federal lands shall be calculated separately for the district in the manner provided in section 163.011, treating such pupils as residents of the district for this purpose. Such eligible student count shall be multiplied by one-half of the amount to be received by the district, pursuant to this subsection, per eligible pupil not residing on federal lands.

2. Money in the fund shall be distributed monthly on or before the fifteenth day of each month. The state board of education shall certify the amounts to be distributed to the several school districts to the commissioner of administration who shall issue the warrants therefor.

3. Money received by a school district from the school district trust fund shall be deemed to be local tax revenue derived for the same fiscal year in which the money is received, for the teachers' and incidental funds, and shall be deposited to such funds of the district in proportion to operating levies for the teachers' and incidental funds. The reduction in the operating levy pursuant to section 164.013, RSMo, shall be made proportionally in the funds where the remaining one-half of the money from the school district trust fund is deposited. In the calculation of state aid for the district under the provisions of section 163.031, one-half the amount received by the district in the first preceding year shall be deducted from the district's entitlement as provided in section 163.031.]

163.161. 1. Any school district which makes provision for transporting pupils as provided in section 162.621, RSMo, and sections 167.231 and 167.241, RSMo, shall receive state aid for the ensuing year for such transportation on the basis of the cost of pupil transportation services provided the current year. A district shall receive, pursuant to section 163.031, an amount not greater than seventy-five percent of the allowable costs of providing pupil transportation services to and from school and to and from public accredited vocational courses, and shall not receive an amount per pupil greater than one hundred twenty-five percent of the state average approved cost

per pupil transported the second preceding school year, except when the state board of education determines that sufficient circumstances exist to authorize amounts in excess of the one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year.

2. The state board of education shall determine public school district route approval procedures to be used by each public school district board of education to approve all bus routes or portions of routes and determine the total miles each public school district needs for safe and cost-efficient transportation of the pupils and the state board of education shall determine allowable costs. No state aid shall be paid for the costs of transporting pupils living less than one mile from the school. However, if the state board of education determines that circumstances exist where no appreciable additional expenses are incurred in transporting pupils living less than one mile from school, such pupils may be transported without increasing or diminishing the district's entitlement to state aid for transportation.

3. State aid for transporting handicapped and severely handicapped students attending classes within the school district or in a nearby district under a contractual arrangement shall be paid in accordance with the provisions of section 163.031 and an amount equal to seventy-five percent of the additional cost of transporting handicapped and severely handicapped students above the average per pupil cost of transporting all students of the district shall be apportioned pursuant to section 163.031 where such special transportation is approved in advance by the department of elementary and secondary education. State aid for transportation of handicapped and severely handicapped children in a special school district shall be seventy-five percent of allowable costs as determined by the state board of education which may for sufficient reason authorize amounts in excess of one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year. In no event shall state transportation aid exceed seventy-five percent of the total allowable cost of transporting all pupils eligible to be transported; provided that no district shall receive reduced reimbursement for costs of transportation of handicapped and severely handicapped children based upon inefficiency.

4. No state transportation aid received pursuant to section 163.031 shall be used to purchase any school bus manufactured prior to April 1, 1977, that does not meet the federal motor vehicle safety standards.

[164.013. 1. When the revenue from the rate of one cent on the dollar of the state sales is collected for distribution under the provisions of section 163.087, RSMo, the school board of each six-director, including special districts, urban and metropolitan school districts, after determining its budget for the school year and the rate of levy needed to produce the required revenue as provided in section 164.011, and after making any other adjustments to the levy that may be required by any other law, shall, unless at least a simple majority of district voters voting thereon have approved a proposal to forego all or

part of a reduction in the total operating levy for school purposes as provided for in this section, reduce the total operating levy for school purposes in an amount sufficient to decrease the revenue it would have received therefrom by an amount equal to fifty percent of the previous fiscal year's sales tax receipts excluding the sales tax revenue estimated to be received by the district attributable to pupils residing on federal lands and excluding the amount of sales tax revenue estimated to be necessary to offset the loss of property tax revenue to the school district under the provisions of section 50.338, RSMo, except that the provision of this section shall not require a school board to reduce its total operating levy for school purposes below an amount which is equal to the highest amount specified in subsection 2 of section 163.021, RSMo, as an eligibility requirement for state aid or increased state aid pursuant to section 163.031, RSMo. Loss of revenue, due to a decrease in the assessed valuation of real property located within the school district as a result of general reassessment, and from state-assessed railroad and utility distributable property based upon the previous fiscal year's receipts shall be considered in lowering the rate of levy to comply with this section in the year of general reassessment and in each subsequent year. For any district for which the total assessed valuation of the district is reduced as a result of a natural disaster for which the county or counties containing the district were designated a disaster area, the reduction of the total operating levy for school purposes pursuant to this section may, at the district's discretion, be calculated either on the district's current assessed valuation or upon the district's assessed valuation for the year preceding the natural disaster, until the fifth year following the designation as a disaster area or until the district's assessed valuation equals or exceeds the district's assessed valuation for the year preceding the disaster, whichever first occurs. In the event that in the immediately preceding year the school district actually received more or less sales tax revenue than estimated, the school board shall adjust its operating levy for the current year to reflect such increase or decrease. Adjustments in the tax rate of a school district pursuant to the provisions of this section shall in no way affect the eligibility of claimants for benefits, or the amount of claimants' benefits, under the provisions of sections 135.010 to 135.035, RSMo. Such claimants shall, if they are otherwise qualified, receive the benefits to which they were or would have been entitled in the year prior to March 3, 1983. There shall be transferred from the school district trust fund to the general revenue fund an amount equal to the difference in the amount paid or credited or which would have been paid or credited to individuals qualifying under sections 135.010 to 135.035, RSMo, in the year prior to March 3, 1983, and the amount paid or credited under the provisions of such sections each year thereafter. The director of revenue shall certify the amount payable from the school district trust fund to the general revenue fund to the state treasurer, the commissioner of administration and the state board of education on or

before the first day of each month. Any school district required to reduce its total operating levy under the provisions of this section shall not become ineligible for state aid under the provisions of section 163.021, RSMo, because of such required reduction. In the event a district fails to reduce its operating levy in compliance with this section, an amount equivalent to the amount by which the district fails to reduce its levy shall be deducted from the district's apportionment of state aid under the provisions of section 163.031, RSMo, for the following year.

2. In a year of general reassessment, as defined by section 137.073, RSMo, or assessment maintenance as defined by section 137.115, RSMo, in which a school district in reliance upon the information then available to it relating to the total assessed valuation of such school district revises its property tax levy pursuant to section 137.073 or 137.115, RSMo, and it is subsequently determined by decisions of the state tax commission or a court pursuant to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation or recordation of assessed valuations that the assessed valuation of such school district has been changed, and but for such change the school district would have adopted a different levy on the date of its original action, then the school district may adjust its levy to an amount to reflect such change in assessed valuation, including, if necessary, a change in the levy reduction required by this section to the amount it would have levied had the correct assessed valuation been known to it on the date of its original action, provided:

(1) The school district first levies the maximum levy allowed without a vote of the people by article X, section 11(b) of the constitution; and

(2) The school district first adopts the tax rate ceiling otherwise authorized by other laws of this state; and

(3) The levy adjustment or reduction may include a one-time correction to recoup lost revenues the school district was entitled to receive during the prior year.]

Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at a special election which is hereby ordered and which shall be held and conducted on the first Tuesday in November, 2000, pursuant to the laws and constitutional provisions of this state applicable to general elections and the submission of referendum measures by initiative petitions, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.

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