

FIRST REGULAR SESSION

# SENATE BILL NO. 494

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR STOLL.

Read 1st time February 15, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1721S.021

## AN ACT

To repeal sections 52.260 and 163.031, RSMo 2000, relating to ad valorem property tax collections, and to enact in lieu thereof three new sections relating to the same subject, with effective dates.

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

Section A. Sections 52.260 and 163.031, RSMo 2000, are repealed and three new sections enacted in lieu thereof, to be known as sections 52.260, 52.315 and 163.031, to read as follows:

52.260. The collector in counties not having township organization shall collect on behalf of the county the following fees for collecting all state, county, bridge, road, school, back and delinquent, and all other local taxes, including merchants', manufacturers' and liquor and beer licenses, other than ditch and levee taxes, and the fees collected shall be deposited in the county general fund:

(1) In all counties wherein the total amount levied for any one year [exceeds two hundred and fifty thousand dollars and] is less than [three hundred and fifty thousand] **two million** dollars, a fee of two and one-half percent on the [amount] **total amounts** collected;

(2) In all counties wherein the total amount levied for any one year exceeds [three hundred and fifty thousand] **two million** dollars and is less than [two] **four** million dollars, a fee of [two] **one** and one-half percent on the [first three hundred and fifty thousand dollars collected and one percent on whatever amount may be collected over three hundred and fifty thousand dollars] **total amounts collected**;

(3) In all counties wherein the total amount levied for any one year exceeds [two] **four** million dollars, a fee of one percent on the **total** amounts collected.

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

**52.315. 1. Any provision of law to the contrary notwithstanding, any fee provided for in section 52.260 and section 54.320, RSMo, or any other provision of law in conflict with the provisions of this section, a percentage of all ad valorem property tax collections allocable to each taxing authority within the county and the county shall be collected from the collections of taxes each year and the fees collected shall be deposited into the tax maintenance fund of the county as required by this section: in all counties of the first classification, except in counties having a charter form of government and any city not within a county, a fee of one-eighth of one percent on the total amounts collected; in all counties wherein the total amount levied for any one year is less than four million dollars, a fee of one percent on the total amounts collected; in all counties, other than any county of the first classification and city not within a county wherein the total amount levied for any one year exceeds four million dollars, a fee of one-half of one percent on the total amounts collected; in all counties pursuant to section 54.320, having township organization wherein the total amount collected for any one year is less than two million dollars, a fee of two percent on the total amounts collected; wherein the total amount collected for any one year exceeds two million dollars and is less than two and one-half million dollars, a fee of one and one-half percent on the total amounts collected; wherein the total amount collected for any one year exceeds two and one-half million dollars, a fee of one percent on the total amounts collected. For any county of the first classification having a charter form of government and for any city not within a county, the percentage deposited into the tax maintenance fund shall be three percent of the fees and commissions collected pursuant to section 52.260. All fees collected pursuant to this section shall be deposited into the tax maintenance fund and used for additional administration and operation costs for the offices of collector and treasurer ex officio collector. Any costs, as used in this chapter, are defined as those costs that require any additional out-of-pocket expense by the offices of collector and treasurer ex officio collector and it may include reimbursement to county general revenue for the salaries of employees of the offices of collector and treasurer ex officio collector for hours worked all of which are inclusive and necessary to conduct and execute the duties and responsibilities of such offices. The tax maintenance fund may also be used by the collector and treasurer ex officio collector for training programs, purchasing new or upgrading information technology, equipment or other essential administrative expenses necessary to carry out the duties and responsibilities of the offices of collector and treasurer ex officio collector, including anything necessarily pertaining thereto. The collector and treasurer ex officio collector have the sole responsibility for all expenditures made from the tax maintenance fund and shall approve all expenditures from such fund. All such**

**expenditures from the tax maintenance fund shall not be used to substitute for or subsidize any allocation of general revenue for the operation of the offices of collector or treasurer ex officio collector. The tax maintenance fund may be audited by the appropriate auditing agency. County general revenue may also provide additional moneys for this fund. To assure the necessary funds are available for the purposes of collecting all ad valorem taxes, any county subject to the provisions of this section other than counties of the first classification, and any city not within a county, shall provide moneys for budget purposes in an amount not less than the commissions and fees collected each year as prescribed by law in this chapter and chapter 54, RSMo. Any county and any city not within a county subject to the provisions of this section shall provide moneys for budget purposes in an amount not less than the approved budget in the previous year and shall include the same percentage adjustments in compensation provided for other county employees as effective January first each year. Any moneys accumulated and remaining in the tax maintenance fund as of December thirty-first each year in all counties of the first classification and any city not within a county shall be limited to an amount equal to one-half of the previous year's approved budget for the office of collector, and any moneys accumulated and remaining in the tax maintenance fund as of December thirty-first each year in all counties other than counties of the first classification and any city not within a county shall be limited to an amount equal to the previous year's approved budget for the offices of collector and treasurer ex officio collector. Any moneys remaining in the tax maintenance fund as of December thirty-first each year that exceed the above established limits shall be transferred to county general revenue by the following January fifteenth of each year.**

**2. The collector of each county and the treasurer ex officio collector of each county having township organization pursuant to the provisions of this section shall, no later than July first, annually certify to each school district containing any portion of such county and to the department of elementary and secondary education the amount of increased commissions collected pursuant to this section.**

**3. Any provision of law to the contrary notwithstanding, or any other provision of law in conflict with the provisions of this section, in all counties pursuant to this section not having a charter form of government other than a county of the first classification and any city not within a county on or after August 28, 2002, the percentage being collected on the total amounts of all ad valorem property tax collections allocable to each taxing authority within the county and the county shall continue to be collected from the collections of taxes each year and shall be deposited into the tax maintenance fund as required by subsection 1 of this section.**

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 **and minus the total amount of increased commissions certified to the district by county collectors and treasurer ex officio collectors pursuant to section 52.315, RSMo**; 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 costs of adopting and providing a violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration factor; 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. **Beginning with the November 2003 state aid payment, and for each November state aid payment thereafter, each district receiving an additional payment amount pursuant to this subdivision shall also receive an additional state aid payment equal to the total amount certified to the district pursuant to the provisions of subsection 2 of section 52.315, RSMo, for the preceding year.**

(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 **and minus  
the total amount of increased commissions  
certified to the district by county collectors  
and treasurer ex officio collectors pursuant  
to section 52.315, RSMo, for the preceding  
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 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 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.

Section B. The repeal and reenactment of section 52.260 and the enactment of section 52.315 shall become effective January 1, 2003. The repeal and reenactment of section 163.031

shall become effective July 1, 2003.

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Bill

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