

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 645

## 91ST GENERAL ASSEMBLY

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Reported from the Committee on Local Government and Economic Development, February 4, 2002, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

2597S.02C

TERRY L. SPIELER, Secretary.

### AN ACT

To repeal section 221.425, RSMo, relating to authorizing a sales tax for regional jail districts, and to enact in lieu thereof two new sections relating to the same subject, with an expiration date for a certain section.

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

Section A. Section 221.425, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 221.407 and 221.425, to read as follows:

**221.407. 1. In any county of the third classification with a township form of government having a population greater than eight thousand and no more than eight thousand one hundred inhabitants, or any county of the third classification with a township form of government having a population greater than eight thousand nine hundred and not more than nine thousand inhabitants, or any county of the third classification with a township form of government having a population greater than eleven thousand five hundred but less than eleven thousand six hundred inhabitants, the commission of any regional jail district may impose, by order, a sales tax in the amount of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent or one-half of one percent on all retail sales made in such district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, for the purpose of providing jail services, jail facilities, court facilities and equipment for such district. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no order imposing a sales tax**

pursuant to the provisions of this section shall be effective unless the commission submits to the voters of the district, on any election date authorized in chapter 115, RSMo, a proposal to authorize the commission to impose a tax.

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

Shall the regional jail district of ..... (counties' names) impose a district-wide sales tax of ..... (insert amount) for the purpose of providing jail services, jail facilities, court facilities and equipment for the district?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of the proposal, then the order and any amendment to such order shall be in effect on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the district-wide sales tax. If the proposal receives less than the required majority, the commission shall have no power to impose the sales tax authorized pursuant to this section unless and until the commission shall again have submitted another proposal to authorize the commission to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district voting on such proposal; however, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last submission of a proposal pursuant to this section.

3. All revenue received by a district from the tax authorized pursuant to the provisions of this section shall be deposited in a special trust fund and shall be used solely for providing jail services, jail facilities, court facilities and equipment for such district for so long as the tax shall remain in effect.

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

5. All sales taxes collected by the director of revenue pursuant to this section on behalf of any district, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund,

which is hereby created, to be known as the "Regional Jail District Sales Tax Trust Fund". The moneys in the regional jail district sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of each member county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district which levied the tax. Such funds shall be deposited with the treasurer of each such district, who shall be appointed by the commission and all expenditures of funds arising from the regional jail district sales tax trust fund shall be paid pursuant to an appropriation adopted by the commission and shall be approved by the commission. Expenditures may be made from the fund for any function authorized in the order adopted by the commission submitting the regional jail district tax to the voters.

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

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

8. The provisions of this section shall expire September 30, 2015.

221.425. 1. All bonds, notes and other obligations of the district are payable solely out of the contributions made by the member counties or from revenues and receipts derived from the operation of the district's facilities **or from a district-wide voter-approved sales tax.**

2. All obligations of the district constitute negotiable instruments.

3. Obligations of the district shall not be deemed a debt, liability or pledge of the faith and credit of the state, of any member county, or of any other political subdivision of the

state. The issuance of district obligations shall not, directly, indirectly or contingently, obligate the state, a member county or any other political subdivision to levy any form of taxation or to make any appropriation for their payment.

4. The district is declared to be performing a public function on behalf of the member counties and to be a public instrumentality of such counties. Accordingly:

(1) The income of the district and all properties owned by the district are exempt from all taxation in the state of Missouri;

(2) For the purposes of section 409.402, RSMo, obligations of the district are deemed to be securities issued by a public instrumentality or political subdivision of the state of Missouri; and

(3) Interest on obligations of the district is exempt from income taxation by the state of Missouri.

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Bill

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