

SECOND REGULAR SESSION

# SENATE BILL NO. 981

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CALLAHAN.

Read 1st time February 22, 2010, and ordered printed.

TERRY L. SPIELER, Secretary.

5191S.011

## AN ACT

To repeal section 94.577, RSMo, and to enact in lieu thereof one new section relating to taxes imposed by certain cities to fund public safety activities including operations and capital improvements, with an emergency clause.

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

Section A. Section 94.577, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 94.577, to read as follows:

94.577. 1. The governing body of any municipality except those located in whole or in part within any first class county having a charter form of government and not containing any part of a city with a population of four hundred thousand or more and adjacent to a city not within a county for that part of the municipality located within such first class county is hereby authorized to impose, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half of one percent sales tax on all retail sales made in such municipality which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of funding capital improvements, including the operation and maintenance of capital improvements, which may be funded by issuing bonds which will be retired by the revenues received from the sales tax authorized by this section or the retirement of debt under previously authorized bonded indebtedness. A municipality located in a charter county may impose a sales tax on all retail sales for capital improvements as provided in section 94.890. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law; but no ordinance imposing a sales tax under the provisions of this section shall be effective unless the governing body of the municipality submits to the voters of the municipality, at a municipal or state general, primary or special election, a proposal to authorize the governing body of the municipality

20 to impose such tax and, if such tax is to be used to retire bonds authorized under  
21 this section, to authorize such bonds and their retirement by such tax, or to  
22 authorize the retirement of debt under previously authorized bonded  
23 indebtedness.

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

25 (1) If the proposal submitted involves only authorization to impose the tax  
26 authorized by this section, the following language:

27 Shall the municipality of ..... (municipality's name) impose a sales tax  
28 of ..... (insert amount) for the purpose of funding capital improvements which  
29 may include the retirement of debt under previously authorized bonded  
30 indebtedness?

31  YES  NO

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

34 (2) If the proposal submitted involves authorization to issue bonds and  
35 repay such bonds with revenues from the tax authorized by this section, the  
36 following language:

37 Shall the municipality of ..... (municipality's name) issue bonds in the  
38 amount ..... of ..... (insert amount) to fund capital improvements and impose  
39 a sales tax of ..... (insert amount) to repay bonds?

40  YES  NO

41 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
42 are opposed to the question, place an "X" in box opposite "NO". If a majority of  
43 the votes cast on the proposal by the qualified voters voting thereon are in favor  
44 of the proposal, including when the proposal authorizes the reduction of debt  
45 under previously authorized bonded indebtedness under subdivision (1) of this  
46 subsection, then the ordinance or order and any amendments thereto shall be in  
47 effect, except that any proposal submitted under subdivision (2) of this subsection  
48 to issue bonds and impose a sales tax to retire such bonds must be approved by  
49 the constitutionally required percentage of the voters voting thereon to become  
50 effective. If a majority of the votes cast by the qualified voters voting are opposed  
51 to the proposal, then the governing body of the municipality shall have no power  
52 to issue any bonds or impose the sales tax authorized in this section unless and  
53 until the governing body of the municipality shall again have submitted another  
54 proposal to authorize the governing body of the municipality to issue any bonds  
55 or impose the sales tax authorized by this section, and such proposal is approved

56 by the requisite majority of the qualified voters voting thereon; however, in no  
57 event shall a proposal pursuant to this section be submitted to the voters sooner  
58 than twelve months from the date of the last proposal pursuant to this section,  
59 except that any municipality with a population of greater than four hundred  
60 thousand and located within more than one county may submit a proposal  
61 pursuant to this section to the voters sooner than twelve months from the date  
62 of the last proposal submitted pursuant to this section if submitted to the voters  
63 on or before November 6, 2001.

64 3. All revenue received by a municipality from the tax authorized under  
65 the provisions of this section shall be deposited in a special trust fund and shall  
66 be used solely for capital improvements, including the operation and maintenance  
67 of capital improvements, for so long as the tax shall remain in effect. Once the  
68 tax authorized by this section is abolished or is terminated by any means, all  
69 funds remaining in the special trust fund required by this subsection shall be  
70 used solely for the maintenance of the capital improvements made with revenues  
71 raised by the tax authorized by this section. Any funds in the special trust fund  
72 required by this subsection which are not needed for current expenditures may  
73 be invested by the governing body in accordance with applicable laws relating to  
74 the investment of other municipal funds. The provisions of this subsection shall  
75 apply only to taxes authorized by this section which have not been imposed to  
76 retire bonds issued pursuant to this section.

77 4. All revenue received by a municipality which issues bonds under this  
78 section and imposes the tax authorized by this section to retire such bonds shall  
79 be deposited in a special trust fund and shall be used solely to retire such bonds,  
80 except to the extent that such funds are required for the operation and  
81 maintenance of capital improvements. Once all of such bonds have been retired,  
82 all funds remaining in the special trust fund required by this subsection shall be  
83 used solely for the maintenance of the capital improvements made with the  
84 revenue received as a result of the issuance of such bonds. Any funds in the  
85 special trust fund required by this subsection which are not needed to meet  
86 current obligations under the bonds issued under this section may be invested by  
87 the governing body in accordance with applicable laws relating to the investment  
88 of other municipal funds. The provisions of this subsection shall apply only to  
89 taxes authorized by this section which have been imposed to retire bonds issued  
90 under this section.

91 5. After the effective date of any tax imposed under the provisions of this

92 section, the director of revenue shall perform all functions incident to the  
93 administration, collection, enforcement, and operation of the tax in the same  
94 manner as provided in sections 94.500 to 94.550, and the director of revenue shall  
95 collect in addition to the sales tax for the state of Missouri the additional tax  
96 authorized under the authority of this section. The tax imposed pursuant to this  
97 section and the tax imposed under the sales tax law of the state of Missouri shall  
98 be collected together and reported upon such forms and under such  
99 administrative rules and regulations as may be prescribed by the director of  
100 revenue. Except as modified in this section, all provisions of sections 32.085 and  
101 32.087, RSMo, shall apply to the tax imposed under this section.

102           6. No tax imposed pursuant to this section for the purpose of retiring  
103 bonds issued under this section may be terminated until all of such bonds have  
104 been retired.

105           7. In any city not within a county, no tax shall be imposed pursuant to  
106 this section for the purpose of funding in whole or in part the construction,  
107 operation or maintenance of a sports stadium, field house, indoor or outdoor  
108 recreational facility, center, playing field, parking facility or anything incidental  
109 or necessary to a complex suitable for any type of professional sport or recreation,  
110 either upon, above or below the ground.

111           8. Any tax imposed under this section in any home rule city with more  
112 than four hundred thousand inhabitants and located in more than one county  
113 solely for public transit purposes shall not be considered economic activity taxes  
114 as such term is defined under sections 99.805 and 99.918, RSMo, and tax  
115 revenues derived from such tax shall not be subject to allocation under the  
116 provisions of subsection 3 of section 99.845, RSMo, or subsection 4 of section  
117 99.957, RSMo.

118           9. The director of revenue may authorize the state treasurer to make  
119 refunds from the amounts in the trust fund and credited to any municipality for  
120 erroneous payments and overpayments made, and may redeem dishonored checks  
121 and drafts deposited to the credit of such municipalities. If any municipality  
122 abolishes the tax, the municipality shall notify the director of revenue of the  
123 action at least ninety days prior to the effective date of the repeal and the  
124 director of revenue may order retention in the trust fund, for a period of one year,  
125 of two percent of the amount collected after receipt of such notice to cover possible  
126 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
127 deposited to the credit of such accounts. After one year has elapsed after the

128 effective date of abolition of the tax in such municipality, the director of revenue  
129 shall remit the balance in the account to the municipality and close the account  
130 of that municipality. The director of revenue shall notify each municipality of  
131 each instance of any amount refunded or any check redeemed from receipts due  
132 the municipality.

133 **10. Any home rule city with more than four hundred thousand**  
134 **inhabitants and located in more than one county is hereby authorized**  
135 **to impose, in lieu of the tax authorized under subsection 1 of this**  
136 **section, by ordinance or order, a one-eighth, one-fourth, three-eighths,**  
137 **or one-half of one percent sales tax on all retail sales made in such**  
138 **municipality which are subject to taxation under the provisions of**  
139 **sections 144.010 to 144.525 for the purpose of providing revenues for**  
140 **public safety activities, including operations and capital improvements,**  
141 **which may be funded by issuing bonds which will be retired by the**  
142 **revenues received from the sales tax authorized by this section or the**  
143 **retirement of debt under previously authorized bonded**  
144 **indebtedness. The tax authorized by this section shall be in addition**  
145 **to any and all other sales taxes allowed by law; but no ordinance**  
146 **imposing a sales tax under the provisions of this section shall be**  
147 **effective unless the governing body of the municipality submits to the**  
148 **voters of the municipality, at a municipal or state general, primary or**  
149 **special election, a proposal to authorize the governing body of the**  
150 **municipality to impose such tax and, if such tax is to be used to retire**  
151 **bonds authorized under this section, to authorize such bonds and their**  
152 **retirement by such tax, or to authorize the retirement of debt under**  
153 **previously authorized bonded indebtedness.**

154 **11. The ballot of submission shall contain, but need not be**  
155 **limited to:**

156 **(1) If the proposal submitted involves only authorization to**  
157 **impose the tax authorized by this section, the following language:**

158 **Shall the municipality of ..... (municipality's name) impose a**  
159 **sales tax of ..... (insert amount) for the purpose of providing revenues**  
160 **for public safety activities, including operations and capital**  
161 **improvements, which may include the retirement of debt under**  
162 **previously authorized bonded indebtedness?**

163

YES

NO

164 If you are in favor of the question, place an "X" in the box opposite  
 165 "YES". If you are opposed to the question, place an "X" in the box  
 166 opposite "NO"; or

167 (2) If the proposal submitted involves authorization to issue  
 168 bonds and repay such bonds with revenues from the tax authorized by  
 169 this section, the following language:

170 Shall the municipality of ..... (municipality's name) issue bonds  
 171 in the amount of ..... (insert amount) for the purpose of providing  
 172 revenues for public safety activities, including operations and capital  
 173 improvements, and impose a sales tax of ..... (insert amount) to repay  
 174 bonds?

175  YES  NO

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

179 The ballot may include descriptions of specific uses to which the  
 180 revenues from the tax will be applied.

181 If a majority of the votes cast on the proposal by the qualified voters  
 182 voting thereon are in favor of the proposal, including when the  
 183 proposal authorizes the reduction of debt under previously authorized  
 184 bonded indebtedness under subdivision (1) of this subsection, then the  
 185 ordinance or order and any amendments thereto shall be in effect,  
 186 except that any proposal submitted under subdivision (2) of this  
 187 subsection to issue bonds and impose a sales tax to retire such bonds  
 188 must be approved by the constitutionally required percentage of the  
 189 voters voting thereon to become effective. If a majority of the votes  
 190 cast by the qualified voters voting are opposed to the proposal, then the  
 191 governing body of the municipality shall have no power to issue any  
 192 bonds or impose the sales tax authorized in this section unless and  
 193 until the governing body of the municipality shall again have submitted  
 194 another proposal to authorize the governing body of the municipality  
 195 to issue any bonds or impose the sales tax authorized by subsection 10  
 196 of this section, and such proposal is approved by the requisite majority  
 197 of the qualified voters voting thereon.

198 12. All revenue received by a municipality from the tax  
 199 authorized under the provisions of subsection 10 of this section shall

200 be deposited in a special trust fund and shall be used solely for public  
201 safety activities for so long as the tax shall remain in effect. Once the  
202 tax authorized by this section is abolished or is terminated by any  
203 means, all funds remaining in the special trust fund required by this  
204 subsection shall be used solely for the public safety activities  
205 authorized in subsection 10 of this section. Any funds in the special  
206 trust fund required by this subsection which are not needed for current  
207 expenditures may be invested by the governing body in accordance  
208 with applicable laws relating to the investment of other municipal  
209 funds. The provisions of this subsection shall apply only to taxes  
210 authorized by this subsection which have not been imposed to retire  
211 bonds issued pursuant to this subsection.

212       13. All revenue received by a municipality which issues bonds  
213 under subsection 10 of this section and imposes the tax authorized by  
214 this section to retire such bonds shall be deposited in a special trust  
215 fund and shall be used solely to retire such bonds, except to the extent  
216 that such funds are required for the operation of the public safety  
217 department. Once all of such bonds have been retired, all funds  
218 remaining in the special trust fund required by this subsection shall be  
219 used solely for public safety activities. Any funds in the special trust  
220 fund required by this subsection which are not needed to meet current  
221 obligations under the bonds issued under this section may be invested  
222 by the governing body in accordance with applicable laws relating to  
223 the investment of other municipal funds. The provisions of this  
224 subsection shall apply only to taxes authorized by subsection 10 of this  
225 section which have been imposed to retire bonds issued under this  
226 section.

227       14. After the effective date of any tax imposed under the  
228 provisions of subsection 10 of this section, the director of revenue shall  
229 perform all functions incident to the administration, collection,  
230 enforcement, and operation of the tax in the same manner as provided  
231 in sections 94.500 to 94.550, and the director of revenue shall collect in  
232 addition to the sales tax for the state of Missouri the additional tax  
233 authorized under the authority of this section. The tax imposed  
234 pursuant to this section and the tax imposed under the sales tax law of  
235 the state of Missouri shall be collected together and reported upon such

236 forms and under such administrative rules and regulations as may be  
237 prescribed by the director of revenue. Except as modified in this  
238 section, all provisions of sections 32.085 and 32.087 shall apply to the  
239 tax imposed under this section.

240           15. No tax imposed pursuant to subsection 10 of this section for  
241 the purpose of retiring bonds issued under this section may be  
242 terminated until all of such bonds have been retired.

Section B. Because of the need to ensure adequate funding for public  
2 safety activities of certain municipalities, section A of this act is deemed  
3 necessary for the immediate preservation of the public health, welfare, peace and  
4 safety, and is hereby declared to be an emergency act within the meaning of the  
5 constitution, and section A of this act shall be in full force and effect upon its  
6 passage and approval.

✓

Bill

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