

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE BILL NO. 981

95TH GENERAL ASSEMBLY
2010

5191S.01T

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.

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Section A. Section 94.577, RSMo, is repealed and one new section enacted
2 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
2 in whole or in part within any first class county having a charter form of
3 government and not containing any part of a city with a population of four
4 hundred thousand or more and adjacent to a city not within a county for that part
5 of the municipality located within such first class county is hereby authorized to
6 impose, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half
7 of one percent sales tax on all retail sales made in such municipality which are
8 subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for
9 the purpose of funding capital improvements, including the operation and
10 maintenance of capital improvements, which may be funded by issuing bonds
11 which will be retired by the revenues received from the sales tax authorized by
12 this section or the retirement of debt under previously authorized bonded
13 indebtedness. A municipality located in a charter county may impose a sales tax
14 on all retail sales for capital improvements as provided in section 94.890. The tax
15 authorized by this section shall be in addition to any and all other sales taxes
16 allowed by law; but no ordinance imposing a sales tax under the provisions of this
17 section shall be effective unless the governing body of the municipality submits
18 to the voters of the municipality, at a municipal or state general, primary or
19 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
28 name) impose a sales tax of (insert amount) for the purpose of funding
29 capital improvements which may include the retirement of debt under previously
30 authorized bonded 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**
159 **(municipality's name) impose a sales tax of (insert amount) for**
160 **the purpose of providing revenues for public safety activities, including**
161 **operations and capital improvements, which may include the**
162 **retirement of debt under 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
171 (municipality's name) issue bonds in the amount of (insert
172 amount) for the purpose of providing revenues for public safety
173 activities, including operations and capital improvements, and impose
174 a sales tax of (insert amount) to repay 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.

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Unofficial

Bill

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