

FIRST REGULAR SESSION

HOUSE BILL NO. 335

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BURLISON (Sponsor), SCHOELLER,
JONES (89) AND KELLY (24) (Co-sponsors).

0410L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to political subdivision taxes.

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

Section A. Chapter 67, RSMo, is amended by adding thereto one new section, to be known as section 67.2751, to read as follows:

67.2751. 1. The governing body of any political subdivision levying a tax on personal property to provide funding for such political subdivision may, by resolution, abolish such personal property tax and impose either a replacement sales tax on all retail sales made within the political subdivision which are subject to sales tax under chapter 144 or a replacement real property tax on the real property within the political subdivision that is taxable under chapter 137. No political subdivision shall impose the tax on personal property and the sales tax or the real property tax authorized under this section simultaneously. The sales tax or the real property tax authorized in this section shall be imposed at a rate necessary to produce the same revenue produced by the tax on personal property in the previous year, and shall be imposed solely for the same purposes as the personal property tax was imposed. The governing body may reduce the tax on personal property and impose the sales tax or real property tax in increments over a stated period of years, and such period of years shall be included in the resolution and on the ballot required under this section. Any replacement sales tax or replacement real property tax shall be imposed as provided in this section.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 **2. (1) Any sales tax authorized in this section shall be in addition to all other sales**
17 **taxes imposed by law, and shall be stated separately from all other charges and taxes. No**
18 **such resolution adopted under this section shall become effective unless the governing body**
19 **of the political subdivision submits to the voters residing within the political subdivision**
20 **at a state general, primary, or special election a proposal to authorize the governing body**
21 **to impose a sales tax under this section. The ballot submission shall be in substantially the**
22 **following form: "Shall..... (insert political subdivision) replace the tax on personal property**
23 **with a sales tax at a rate of (insert percentage) percent over (insert years) years?"**
24 **If a majority of the votes cast on the question by the qualified voters voting thereon are in**
25 **favor of the question, then the tax shall become effective on the first day of the second**
26 **calendar quarter after the director of revenue receives notification of adoption of the local**
27 **sales tax. If a majority of the votes cast on the question by the qualified voters voting**
28 **thereon are opposed to the question, then the tax shall not become effective unless and until**
29 **the question is resubmitted under this section to the qualified voters and such question is**
30 **approved by a majority of the qualified voters voting on the question.**

31 **(2) All revenue collected under this subsection by the director of the department**
32 **of revenue on behalf of the political subdivision, except for one percent for the cost of**
33 **collection which shall be deposited in the state's general revenue fund, shall be deposited**
34 **in a special trust fund, which is hereby created and shall be known as the "Political**
35 **Subdivision Property Tax Replacement Sales Tax Fund", and shall be used solely for the**
36 **designated purposes. Moneys in the fund shall not be deemed to be state funds, and shall**
37 **not be commingled with any funds of the state. The director may make refunds from the**
38 **amounts in the fund and credited to the political subdivision for erroneous payments and**
39 **overpayments made, and may redeem dishonored checks and drafts deposited to the credit**
40 **of such political subdivision. Any funds in the special fund which are not needed for**
41 **current expenditures shall be invested in the same manner as other funds are invested.**
42 **Any interest and moneys earned on such investments shall be credited to the fund.**

43 **(3) The governing body of any political subdivision that has adopted the sales tax**
44 **authorized in this section may submit the question of repeal of the tax to the voters on any**
45 **date available for elections for the political subdivision. If a majority of the votes cast on**
46 **the question by the qualified voters voting thereon are in favor of the repeal, that repeal**
47 **shall become effective on December thirty-first of the calendar year in which such repeal**
48 **was approved. If a majority of the votes cast on the question by the qualified voters voting**
49 **thereon are opposed to the repeal, then the sales tax authorized in this section shall remain**
50 **effective until the question is resubmitted under this section to the qualified voters and the**
51 **repeal is approved by a majority of the qualified voters voting on the question.**

52 (4) Whenever the governing body of any political subdivision that has adopted the
53 sales tax authorized in this section receives a petition, signed by a number of registered
54 voters of the district equal to at least ten percent of the number of registered voters of the
55 subdivision voting in the last gubernatorial election, calling for an election to repeal the
56 sales tax imposed under this section, the governing body shall submit to the voters of the
57 political subdivision a proposal to repeal the tax. If a majority of the votes cast on the
58 question by the qualified voters voting thereon are in favor of the repeal, the repeal shall
59 become effective on December thirty-first of the calendar year in which such repeal was
60 approved. If a majority of the votes cast on the question by the qualified voters voting
61 thereon are opposed to the repeal, then the sales tax authorized in this section shall remain
62 effective until the question is resubmitted under this section to the qualified voters and the
63 repeal is approved by a majority of the qualified voters voting on the question.

64 (5) If the sales tax is repealed or terminated by any means, all funds remaining in
65 the special trust fund shall continue to be used solely for the designated purposes, and the
66 political subdivision shall notify the director of the department of revenue of the action at
67 least ninety days before the effective date of the repeal and the director may order
68 retention in the trust fund, for a period of one year, of two percent of the amount collected
69 after receipt of such notice to cover possible refunds or overpayment of the tax and to
70 redeem dishonored checks and drafts deposited to the credit of such accounts. After one
71 year has elapsed after the effective date of abolition of the tax in such political subdivision,
72 the director shall remit the balance in the account to the political subdivision and close the
73 account of that political subdivision. The director shall notify each political subdivision
74 of each instance of any amount refunded or any check redeemed from receipts due the
75 political subdivision.

76 3. (1) Any real property tax authorized in this section shall be in addition to all
77 other real property taxes imposed by law, and shall be stated separately from all other
78 charges and taxes. No such resolution adopted under this section shall become effective
79 unless the governing body of the political subdivision submits to the voters residing within
80 the political subdivision at a state general, primary, or special election a proposal to
81 authorize the governing body to impose a real property tax under this section. The ballot
82 submission shall be in substantially the following form: "Shall..... (insert political
83 subdivision) replace the tax on personal property with a tax on real property at a rate of
84 not more than (insert amount) dollars per one hundred dollars of assessed valuation
85 over (insert years) years?" If a majority of the votes cast on the question by the
86 qualified voters voting thereon are in favor of the question, then the tax shall become
87 effective on the first day of the year following the election. If a majority of the votes cast

88 on the question by the qualified voters voting thereon are opposed to the question, then the
89 tax shall not become effective unless and until the question is resubmitted under this
90 section to the qualified voters and such question is approved by a majority of the qualified
91 voters voting on the question.

92 (2) All procedures for collecting real property taxes as provided in chapter 137
93 shall apply to any replacement real property tax imposed under this section.

94 (3) The governing body of any political subdivision that has adopted the real
95 property tax authorized in this section may submit the question of repeal of the tax to the
96 voters on any date available for elections for the political subdivision. If a majority of the
97 votes cast on the question by the qualified voters voting thereon are in favor of the repeal,
98 that repeal shall become effective on December thirty-first of the calendar year in which
99 such repeal was approved. If a majority of the votes cast on the question by the qualified
100 voters voting thereon are opposed to the repeal, then the real property tax authorized in
101 this section shall remain effective until the question is resubmitted under this section to the
102 qualified voters and the repeal is approved by a majority of the qualified voters voting on
103 the question.

104 (4) Whenever the governing body of any political subdivision that has adopted the
105 real property tax authorized in this section receives a petition, signed by a number of
106 registered voters of the district equal to at least ten percent of the number of registered
107 voters of the subdivision voting in the last gubernatorial election, calling for an election to
108 repeal the real property tax imposed under this section, the governing body shall submit
109 to the voters of the political subdivision a proposal to repeal the tax. If a majority of the
110 votes cast on the question by the qualified voters voting thereon are in favor of the repeal,
111 the repeal shall become effective on December thirty-first of the calendar year in which
112 such repeal was approved. If a majority of the votes cast on the question by the qualified
113 voters voting thereon are opposed to the repeal, then the real property tax authorized in
114 this section shall remain effective until the question is resubmitted under this section to the
115 qualified voters and the repeal is approved by a majority of the qualified voters voting on
116 the question.

117 (5) If the real property tax is repealed or terminated by any means, all funds
118 received from the real property tax shall continue to be used solely for the designated
119 purposes. The governing body of the political subdivision may order retention, for a
120 period of one year, of two percent of the real property taxes collected to cover possible
121 refunds or overpayment of the tax. After one year has elapsed after the effective date of
122 abolition of the tax in such political subdivision, the governing body shall remit the balance
123 of any funds retained under this subdivision to the political subdivision's treasury.