

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 555, Page 43, Section 135.950, Line 203,
2 by inserting after all of said section and line the following:

3
4 "137.073. 1. As used in this section, the following terms mean:

5 (1) "General reassessment", changes in value, entered in the assessor's books, of a
6 substantial portion of the parcels of real property within a county resulting wholly or partly from
7 reappraisal of value or other actions of the assessor or county equalization body or ordered by the
8 state tax commission or any court;

9 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each
10 purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax
11 rate authorized by election, including bond interest and sinking fund;

12 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
13 provisions of this section or when a court has determined the tax rate; except that, other provisions
14 of law to the contrary notwithstanding, a school district may levy the operating levy for school
15 purposes required for the current year pursuant to subsection 2 of section 163.021, less all
16 adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate
17 does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum
18 tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political
19 subdivision as provided in this section;

20 (4) "Tax revenue", when referring to the previous year, means the actual receipts from ad
21 valorem levies on all classes of property, including state-assessed property, in the immediately
22 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected
23 in the fiscal year and plus an additional allowance for the revenue which would have been collected
24 from property which was annexed by such political subdivision but which was not previously used
25 in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any
26 receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these
27 terms are defined in section 386.020, which were assessed by the assessor of a county or city in the
28 previous year but are assessed by the state tax commission in the current year. All school districts
29 and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax
30 revenue an amount equivalent to that by which they reduced property tax levies as a result of sales
31 tax pursuant to section 67.505 and section 164.013 ~~[or as excess home dock city or county fees as~~
32 ~~provided in subsection 4 of section 313.820]~~ in the immediately preceding fiscal year but not
33 including any amount calculated to adjust for prior years. For purposes of political subdivisions
34 which were authorized to levy a tax in the prior year but which did not levy such tax or levied a
35 reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by
36 law, shall mean the revenues equal to the amount that would have been available if the voluntary

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1 rate reduction had not been made.

2 2. Whenever changes in assessed valuation are entered in the assessor's books for any
3 personal property, in the aggregate, or for any subclass of real property as such subclasses are
4 established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016,
5 the county clerk in all counties and the assessor of St. Louis City shall notify each political
6 subdivision wholly or partially within the county or St. Louis City of the change in valuation of each
7 subclass of real property, individually, and personal property, in the aggregate, exclusive of new
8 construction and improvements. All political subdivisions shall immediately revise the applicable
9 rates of levy for each purpose for each subclass of real property, individually, and personal property,
10 in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable
11 property, exclusive of new construction and improvements, substantially the same amount of tax
12 revenue as was produced in the previous year for each subclass of real property, individually, and
13 personal property, in the aggregate, except that the rate shall not exceed the greater of the most
14 recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2)
15 of subsection 5 of this section. Any political subdivision that has received approval from voters for
16 a tax increase after August 27, 2008, may levy a rate to collect substantially the same amount of tax
17 revenue as the amount of revenue that would have been derived by applying the voter-approved
18 increased tax rate ceiling to the total assessed valuation of the political subdivision as most recently
19 certified by the city or county clerk on or before the date of the election in which such increase is
20 approved, increased by the percentage increase in the consumer price index, as provided by law,
21 except that the rate shall not exceed the greater of the most recent voter-approved rate or the most
22 recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such
23 tax revenue shall not include any receipts from ad valorem levies on any real property which was
24 assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a
25 county or city in the current year in a different subclass of real property. Where the taxing authority
26 is a school district for the purposes of revising the applicable rates of levy for each subclass of real
27 property, the tax revenues from state-assessed railroad and utility property shall be apportioned and
28 attributed to each subclass of real property based on the percentage of the total assessed valuation of
29 the county that each subclass of real property represents in the current taxable year. As provided in
30 Section 22 of Article X of the constitution, a political subdivision may also revise each levy to allow
31 for inflationary assessment growth occurring within the political subdivision. The inflationary
32 growth factor for any such subclass of real property or personal property shall be limited to the
33 actual assessment growth in such subclass or class, exclusive of new construction and
34 improvements, and exclusive of the assessed value on any real property which was assessed by the
35 assessor of a county or city in the current year in a different subclass of real property, but not to
36 exceed the consumer price index or five percent, whichever is lower. Should the tax revenue of a
37 political subdivision from the various tax rates determined in this subsection be different than the
38 tax revenue that would have been determined from a single tax rate as calculated pursuant to the
39 method of calculation in this subsection prior to January 1, 2003, then the political subdivision shall
40 revise the tax rates of those subclasses of real property, individually, and/or personal property, in the
41 aggregate, in which there is a tax rate reduction, pursuant to the provisions of this subsection. Such
42 revision shall yield an amount equal to such difference and shall be apportioned among such
43 subclasses of real property, individually, and/or personal property, in the aggregate, based on the
44 relative assessed valuation of the class or subclasses of property experiencing a tax rate reduction.
45 Such revision in the tax rates of each class or subclass shall be made by computing the percentage of
46 current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the
47 total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction,
48 multiplying the resulting percentages by the revenue difference between the single rate calculation
49 and the calculations pursuant to this subsection and dividing by the respective adjusted current year

1 assessed valuation of each class or subclass to determine the adjustment to the rate to be levied upon
2 each class or subclass of property. The adjustment computed herein shall be multiplied by one
3 hundred, rounded to four decimals in the manner provided in this subsection, and added to the initial
4 rate computed for each class or subclass of property. For school districts that levy separate tax rates
5 on each subclass of real property and personal property in the aggregate, if voters approved a ballot
6 before January 1, 2011, that presented separate stated tax rates to be applied to the different
7 subclasses of real property and personal property in the aggregate, or increases the separate rates
8 that may be levied on the different subclasses of real property and personal property in the aggregate
9 by different amounts, the tax rate that shall be used for the single tax rate calculation shall be a
10 blended rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section.
11 Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy for
12 personal property shall cause such levy to increase over the levy for personal property from the prior
13 year.

14 3. (1) Where the taxing authority is a school district, it shall be required to revise the rates
15 of levy to the extent necessary to produce from all taxable property, including state-assessed railroad
16 and utility property, which shall be separately estimated in addition to other data required in
17 complying with section 164.011, substantially the amount of tax revenue permitted in this section.
18 In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's
19 reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the
20 event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the
21 estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that
22 the estimates used result in receipt of excess revenues, which would have required a lower rate if the
23 actual information had been known, the school district shall reduce the tax rate ceiling in the
24 following year to compensate for the excess receipts, and the recalculated rate shall become the tax
25 rate ceiling for purposes of this section.

26 (2) For any political subdivision which experiences a reduction in the amount of assessed
27 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to
28 sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or recordation
29 of any assessed valuation:

30 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes
31 to compensate for the reduction in assessed value occurring after the political subdivision calculated
32 the tax rate ceiling for the particular subclass of real property or for personal property, in the
33 aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the
34 next calculation of the tax rate for the particular subclass of real property or for personal property, in
35 the aggregate, after the reduction in assessed valuation has been determined and shall be calculated
36 in a manner that results in the revised tax rate ceiling being the same as it would have been had the
37 corrected or finalized assessment been available at the time of the prior calculation;

38 (b) In addition, for up to three years following the determination of the reduction in assessed
39 valuation as a result of circumstances defined in this subdivision, such political subdivision may
40 levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in
41 paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected
42 or finalized assessment been available at the time of the prior calculation.

43 4. (1) In order to implement the provisions of this section and Section 22 of Article X of the
44 Constitution of Missouri, the term improvements shall apply to both real and personal property. In
45 order to determine the value of new construction and improvements, each county assessor shall
46 maintain a record of real property valuations in such a manner as to identify each year the increase
47 in valuation for each political subdivision in the county as a result of new construction and
48 improvements. The value of new construction and improvements shall include the additional
49 assessed value of all improvements or additions to real property which were begun after and were

1 not part of the prior year's assessment, except that the additional assessed value of all improvements
 2 or additions to real property which had been totally or partially exempt from ad valorem taxes
 3 pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be
 4 included in the value of new construction and improvements when the property becomes totally or
 5 partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in
 6 valuation of personal property for the current year over that of the previous year is the equivalent of
 7 the new construction and improvements factor for personal property. Notwithstanding any opt-out
 8 implemented pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of
 9 new construction and improvements and the amount of assessed value on any real property which
 10 was assessed by the assessor of a county or city in such previous year but is assessed by the assessor
 11 of a county or city in the current year in a different subclass of real property separately for each of
 12 the three subclasses of real property for each political subdivision to the county clerk in order that
 13 political subdivisions shall have this information for the purpose of calculating tax rates pursuant to
 14 this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax
 15 commission shall certify each year to each county clerk the increase in the general price level as
 16 measured by the Consumer Price Index for All Urban Consumers for the United States, or its
 17 successor publications, as defined and officially reported by the United States Department of Labor,
 18 or its successor agency. The state tax commission shall certify the increase in such index on the
 19 latest twelve-month basis available on February first of each year over the immediately preceding
 20 prior twelve-month period in order that political subdivisions shall have this information available in
 21 setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri.
 22 For purposes of implementing the provisions of this section and Section 22 of Article X of the
 23 Missouri Constitution, the term "property" means all taxable property, including state-assessed
 24 property.

25 (2) Each political subdivision required to revise rates of levy pursuant to this section or
 26 Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is authorized
 27 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided
 28 in this section and Section 22 of Article X of the Constitution of Missouri, separately and without
 29 regard to annual tax rate reductions provided in section 67.505 and section 164.013. Each political
 30 subdivision shall set each tax rate it is authorized to levy using the calculation that produces the
 31 lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of
 32 Section 10(c) of Article X of the Constitution of Missouri, that the provisions of such section be
 33 applicable to tax rate revisions mandated pursuant to Section 22 of Article X of the Constitution of
 34 Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and
 35 other provisions not in conflict with Section 22 of Article X of the Constitution of Missouri. Annual
 36 tax rate reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as
 37 established pursuant to this section and Section 22 of Article X of the Constitution of Missouri,
 38 unless otherwise provided by law.

39 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section
 40 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall
 41 be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more
 42 than a simple majority pursuant to any provision of law or the constitution, the tax rate increase
 43 must receive approval by at least the majority required.

44 (2) When voters approve an increase in the tax rate, the amount of the increase shall be
 45 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not
 46 exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for
 47 approval rather than describing the amount of increase in the question, the stated tax rate approved
 48 shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling.
 49 The increased tax rate ceiling as approved shall be adjusted such that when applied to the current

1 total assessed valuation of the political subdivision, excluding new construction and improvements
 2 since the date of the election approving such increase, the revenue derived from the adjusted tax rate
 3 ceiling is equal to the sum of: the amount of revenue which would have been derived by applying
 4 the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision,
 5 as most recently certified by the city or county clerk on or before the date of the election in which
 6 such increase is approved, increased by the percentage increase in the consumer price index, as
 7 provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the
 8 political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax
 9 rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed
 10 in this section to yield the sum of: the amount of revenue that would be derived by applying such
 11 voter-approved increased rate to the total assessed valuation, as most recently certified by the city or
 12 county clerk on or before the date of the election in which such increase was approved, increased by
 13 the percentage increase in the consumer price index, as provided by law, from the date of the
 14 election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

15 (3) The provisions of subdivision (2) of this subsection notwithstanding, if, prior to the
 16 expiration of a temporary levy increase, voters approve a subsequent levy increase, the new tax rate
 17 ceiling shall remain in effect only until such time as the temporary levy expires under the terms
 18 originally approved by a vote of the people, at which time the tax rate ceiling shall be decreased by
 19 the amount of the temporary levy increase. If, prior to the expiration of a temporary levy increase,
 20 voters of a political subdivision are asked to approve an additional, permanent increase to the
 21 political subdivision's tax rate ceiling, voters shall be submitted ballot language that clearly indicates
 22 that if the permanent levy increase is approved, the temporary levy shall be made permanent.

23 (4) The governing body of any political subdivision may levy a tax rate lower than its tax
 24 rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not
 25 exceeding the tax rate ceiling without voter approval in the manner provided under subdivision [(4)]
 26 (5) of this subsection. Nothing in this section shall be construed as prohibiting a political
 27 subdivision from voluntarily levying a tax rate lower than that which is required under the
 28 provisions of this section or from seeking voter approval of a reduction to such political
 29 subdivision's tax rate ceiling.

30 [(4)] (5) In a year of general reassessment, a governing body whose tax rate is lower than its
 31 tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if
 32 its tax rate was at the tax rate ceiling. In a year following general reassessment, if such governing
 33 body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a
 34 public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior
 35 to setting and certifying its tax rate. The provisions of this subdivision shall not apply to any
 36 political subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction
 37 required by law resulting from sales tax collections. The provisions of this subdivision shall not
 38 apply to any political subdivision which has received voter approval for an increase to its tax rate
 39 ceiling subsequent to setting its most recent tax rate.

40 6. (1) For the purposes of calculating state aid for public schools pursuant to section
 41 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a
 42 blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first
 43 determining the total tax revenue of the property within the jurisdiction of the taxing authority,
 44 which amount shall be equal to the sum of the products of multiplying the assessed valuation of
 45 each class and subclass of property by the corresponding tax rate for such class or subclass, then
 46 dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then
 47 multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school
 48 district, such blended rate shall also be used by such school district for calculating revenue from
 49 state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax

1 rate by purpose.

2 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the
3 county commission in the county or counties where the tax rate applies of its tax rate ceiling and its
4 proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the
5 nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-
6 hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round
7 up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-
8 hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a
9 fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent.
10 Any taxing authority levying a property tax rate shall provide data, in such form as shall be
11 prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All
12 forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not
13 be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the
14 calculation of rates pursuant to this section which do not currently exist in rule form or that have
15 been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for
16 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,
17 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for
18 annual debt service requirements will be prima facie valid if, after making the payment for which
19 the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following
20 year's payments. The county clerk shall keep on file and available for public inspection all such
21 information for a period of three years. The clerk shall, within three days of receipt, forward a copy
22 of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data
23 to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such
24 information and return to the county clerk his or her findings as to compliance of the tax rate ceiling
25 with this section and as to compliance of any proposed tax rate for debt service with Missouri law.
26 If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri
27 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may
28 request a taxing authority to submit documentation supporting such taxing authority's proposed tax
29 rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing
30 authority and shall file a copy of the findings with the information received from the taxing
31 authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk
32 of the state auditor's findings and any request for supporting documentation to accept or reject in
33 writing the rate change certified by the state auditor and to submit all requested information to the
34 state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted
35 to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate
36 change certified by the state auditor and the state auditor does not receive supporting information
37 which justifies the taxing authority's original or any subsequent proposed tax rate, then the state
38 auditor shall refer the perceived violations of such taxing authority to the attorney general's office
39 and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from
40 levying a violative tax rate.

41 (3) In the event that the taxing authority incorrectly completes the forms created and
42 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing authority
43 may submit amended forms with an explanation for the needed changes. If such amended forms are
44 filed under regulations prescribed by the state auditor, the state auditor shall take into consideration
45 such amended forms for the purposes of this subsection.

46 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
47 subdivision has complied with the foregoing provisions of this section.

48 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with
49 the provisions of this section, the taxpayer may make a formal complaint with the prosecuting

1 attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the
2 filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an
3 action as representative of a class of all taxpayers within a taxing authority if the class is so
4 numerous that joinder of all members is impracticable, if there are questions of law or fact common
5 to the class, if the claims or defenses of the representative parties are typical of the claims or
6 defenses of the class, and if the representative parties will fairly and adequately protect the interests
7 of the class. In any class action maintained pursuant to this section, the court may direct to the
8 members of the class a notice to be published at least once each week for four consecutive weeks in
9 a newspaper of general circulation published in the county where the civil action is commenced and
10 in other counties within the jurisdiction of a taxing authority. The notice shall advise each member
11 that the court will exclude him or her from the class if he or she so requests by a specified date, that
12 the judgment, whether favorable or not, will include all members who do not request exclusion, and
13 that any member who does not request exclusion may, if he or she desires, enter an appearance. In
14 any class action brought pursuant to this section, the court, in addition to the relief requested, shall
15 assess against the taxing authority found to be in violation of this section the reasonable costs of
16 bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be
17 awarded any attorney or association of attorneys who receive public funds from any source for their
18 services. Any action brought pursuant to this section shall be set for hearing as soon as practicable
19 after the cause is at issue.

20 9. If in any action, including a class action, the court issues an order requiring a taxing
21 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
22 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
23 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
24 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or
25 otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced
26 by the original levy and the amount produced by the revised levy. The township or county collector
27 of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The
28 taxing authority refusing to revise the rate of levy as provided in this section shall make available to
29 the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall
30 receive any interest on any money erroneously paid by him or her pursuant to this subsection.
31 Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority
32 to refund any tax erroneously paid prior to or during the third tax year preceding the current tax
33 year.

34 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
35 under the authority delegated in this section shall become effective only if it complies with and is
36 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
37 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
38 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
39 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
40 August 28, 2004, shall be invalid and void."; and

41
42 Further amend said bill by amending the title, enacting clause, and intersectional references
43 accordingly.