



Feb. 10, 2009

THE LEGISLATIVE SESSION PROGRESSES AMIDST A TOUGH ECONOMY

The First Regular Session of the 95th Missouri General Assembly convened on January 7 in Jefferson City. MAC is monitoring approximately one-third of the over 800 bills that have been filed to date due to their potential impact on county government. We will update you on many of these as the session progresses. It will be especially important to keep in close contact with your legislators, many of whom need your input on county issues. The topics in this bulletin are those that we are following more closely at the present time. Please contact the MAC office if you have questions regarding any pending legislation. The legislative session ends on May 15.

Appropriations – Gov. Jay Nixon’s proposed FY 2010 state budget included the following items of particular interest to county officials. Last session, the General Assembly approved an additional 75-cent increase in prisoner per diem, which took the rate for FY ‘09 to \$22 a day. The governor did not recommend a per diem rate increase for FY ‘10. Reimbursements to single-county circuits for juvenile court employees’ salaries are at virtually the same level as the FY ‘09 appropriation. The state also reimburses a small portion of the costs of maintaining property assessments. The level that the state reimburses assessment maintenance costs remains the same as FY ‘09.

Property Tax Reform – **SB 174 (Griesheimer)** modifies laws regarding property taxation by requiring tax rate rollbacks by school districts in reassessment years. For tax year 2009, political subdivisions are authorized to levy a property tax rate sufficient to generate as much revenue as was realized in the 2007 tax year, excluding new construction and improvements as long as such rate does not exceed the greater of the rate in effect for the 1984 tax year or the most recent voter approved rate. The timeline for the assessment, levy and appeal of property taxes is changed with regard to certain counties. The bill modifies laws regarding the payment of taxes in dispute. Under current law, for the homestead preservation tax credit the homestead exemption limit will be based on the increase in tax liability from the base year to the year prior to the application year for all applications for credits filed between December 31, 2008, and December 31, 2011. This bill modifies the term base year with regard to new homeowners who are approved for the first time after satisfying the three year ownership requirement so that the base year for such taxpayers will be the year following the first year in which such taxpayer acquired ownership of the homestead.

SB 99 (Cunningham) establishes the Predictable Property Tax Act, which, beginning August 28, 2009, freezes the assessed valuation of real property at the 2006 assessed value or at the acquisition price of property purchased after the effective date of the bill and sets the tax rate at one percent. The assessment can be adjusted for cost-of-living increases up to two percent annually. Real property tax revenues are limited to the 2006 real property tax revenues for each county, excluding new construction, improvements, and cost-of-living increases. If the market value of a home declines, the assessed valuation must decrease. The limitations will not apply to any voter-approved tax increase, bond indebtedness, or special assessment. Any taxpayer age 55 or older can transfer the assessed value of his or her current home to any replacement home of equal or lesser value. The bill allows the transfer of property up to \$1 million in assessed value to children or grandchildren without reassessment.

SJR 4 (Cunningham) is a constitutional amendment that, if approved by voters, would limit increases in assessed value due to reassessment of real property to the lesser of the percentage increase in the consumer price index for the Midwest Region or two percent until a transfer of ownership occurs. Upon a transfer of ownership, such property would be reassessed at its value for the year in which the transfer occurs.

There are a number of House bills that address property tax collection. **HB 101 (Wildberger)** requires counties to accept quarterly payments of real and personal property taxes. **HB 113 (Pollock)** requires collectors to establish a method by which taxes on personal property may be paid on or before June 30 of each year. It was heard on January 29 by the House Ways and Means Committee. **HB 148 (Franz)** allows certain first and second classification counties to collect property taxes using electronic records and disbursements.

HB 329 (Kraus) exempts the residential property of an individual 65 years of age or older whose total household federal adjusted gross income is less than 200 percent of the federal poverty level from increases in assessed valuation that are not from new construction or improvements. The property will

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also be exempt from tax rate increases until the owner moves, sells the homestead property, or fails to notify the county assessor of his or her continued eligibility. Any revenue losses of political subdivisions, as determined by the State Auditor, will be reimbursed by the state.

HB 353 (Dusenberg) exempts from real property taxes certain eligible taxpayers 75 years of age and older with certain income levels.

Enhanced 9-1-1 – SB 119 (Griesheimer) changes the law regarding enhanced 9-1-1 funding. Under current law, the Office of Administration is authorized to distribute funds from the wireless service provider enhanced 9-1-1 service fund to wireless service providers and public safety answering points based upon a formula established by the Office of Administration. Such formula may be based upon a variety of factors, but at least 10 percent of the funds must be distributed equally to all public safety answering points in the state. This bill requires the Office of Administration and the Director of the Department of Public Safety or his or her designee to establish the formula, removes the requirement that at least 10 percent of the funding be distributed equally among all public safety answering points in the state, and limits the number of public safety answering points which may receive funding based upon the classification of the county in which they are located.

This bill also authorizes the Office of Administration, upon voter approval, to establish a fee of up to 25 cents per month on every wireless telephone number to fund wireless enhanced 9-1-1 services.

Missouri County Planning Act – SB 5 (Griesheimer) and HB 379 (Sutherland) establish the Missouri County Planning Act, which would allow counties to create a county planning commission. The commission, formed by county commission appointment or petition vote and approval, would be able to recommend subdivision and zoning regulations, as well as adopt street plans for unincorporated areas. It also requires counties to appoint a board of zoning adjustment to hear appeals to zoning decisions. Nothing in the act affects the existence or validity of a county ordinance or order adopted prior to August 28, 2009.

Sunshine Law – HB 316 (Jones, Timothy) changes the Sunshine Law to (1) require all records of the Missouri Ethics Commission to be open records except for any investigative reports prepared by commission employees regarding complaints until a decision is rendered and any reports of complaints that the commission dismisses; (2) require all meetings of the commission to be open except those in which the commission discusses a pending complaint; (3) specify that a "quasi-public governmental body" will include any association that receives public funding through dues paid by a public governmental body or its members; (4) revise the definition of "public meeting" to include any gathering of newly elected members who haven't taken office with or without current members discussing public business so that a quorum would be present; (5) specify that only members of a public governmental body, their attorneys and staff assistants, and any necessary witnesses will be permitted in any closed meeting of the governmental body; (6) require a court to order the reimbursement of reasonable costs and attorney fees to the party successfully seeking disclosure of information contained in an investigative report compiled by a law enforcement agency that would otherwise be closed to inspection. Currently, reimbursement is at the court's discretion; and (7) require any public meeting of a public governmental body addressing issues regarding a fee or tax increase, eminent domain, zoning, transportation development districts, or tax increment financing to give at least five days' notice prior to the meeting, exclusive of weekends and holidays when the facility is closed. The meetings must allow time for public comment. If proper notice is not given, discussion on the issue will be postponed and no vote will be taken for at least 30 days.

Streamlined Sales And Use Tax -- SB 19 (Bray) brings Missouri sales and use tax laws into compliance with the Streamlined Sales and Use Tax Agreement. Compliance involves modifying many sections throughout Missouri law, based upon meeting several criteria, including the sourcing of sales must be changed to be based on receipt. This means that current law is modified, where necessary, to consider the point of sale, and thus the applicable tax rate, to be the point of receipt of the product.

Tax Exemptions – Several bills filed thus far create various tax exemptions and deductions throughout the state. **HB 36 (Sater)** authorizes a state and local sales and use tax exemption for over-the-counter or nonprescription drugs which are prescribed by a practitioner. **HB 47 (Davis)** specifies that the parent or guardian of an unemancipated minor younger than 18 years of age who home schools or sends his or her child to a private school will be allowed reimbursement upon providing satisfactory evidence of the schooling costs up to the amount of the county property taxes he or she paid that would have been given to the school district. **HB 110 (Bivins)** exempts all sales of eyeglasses from state and local sales and use tax. **HB 87 (Wallace)** and **HB 112 (Munzlinger)** exempt motor fuel used to operate school buses transporting students for educational purposes from the motor fuel tax. **HB 94 (Smith)** authorizes a sales tax exemption for membership fees and dues paid to any health or fitness club or facility. **HB 223 (Yates)** includes the membership fee exemptions included in HB 94. It also authorizes an individual income tax deduction for the purchase price of fitness equipment and the total amount paid for fitness fees, as long as the costs have not been deducted on the taxpayer's federal income tax return. The provisions regarding the individual income tax deduction for fitness equipment and fees will expire December 31 six years from the effective date. **HJR 15 (Chappelle-Nadal)** proposes a constitutional amendment exempting from taxation homestead property of a former prisoner of war with a total service-connected disability.

Elections – **SB 22 (Days)** requires all election authorities to provide ballot cards for every election in which a state or federal office or measure is on the ballot. All voters shall have the opportunity to vote a paper ballot and those ballots shall be counted. Notice shall be provided at polling places stating that paper ballots are available. The state shall pay for the cost of printing the paper ballot cards.

SB 145 (Wright-Jones) and **HB 284 (Skaggs)** revise voter registration procedures. Under the bills, individuals who request 50 or more voter registration applications who are not deputy registration officials must be 18 and file with the Secretary of State the person's name, address, telephone number, whether the person is making the request on behalf of a group or organization, and a description of each group or organization for which the request is made. A signed affirmation that the information submitted is true must accompany the filing. Any person who knowingly signs a name other than his or her own to a voter registration application is guilty of a class one election offense. Such persons will be guilty of a Class B felony. Persons who provide identification to an election official to cast a ballot with the knowledge that the identification is false shall be guilty of a Class B felony. Individuals who willfully and falsely complete any certificate, affidavit or ballot of another individual in relation to absentee ballots are guilty of a Class B felony. The Secretary of State shall provide computer-based registration training to persons making requests for voter registration applications.

SB 35 (Goodman) creates the Fair Ballot Commission to approve fair ballot language statements.

Photo ID -- **HJR 9 (Cox)** proposes a constitutional amendment authorizing the General Assembly to require a person to provide a photo identification in order to vote in elections.

Early Voting – **SB 21 (Days)**, **HB 49 (Frame)** and **HB 59 (Corcoran)** establish a system that allows voters to cast advance ballots. **SB 95 (Justus)** and **HB 115 (Wildberger)** allow any registered voter who is eligible to vote in a particular election to do so by absentee ballot for any or no reason.

Initiative Petitions – **SB 115 (Bray)** and **HB 228 (Parson)** change the laws regarding the circulation of petitions to (1) require a petition circulator to be a United States citizen and a Missouri resident; (2) specify that petition circulators cannot have been convicted of, found guilty of, or pled guilty to any offense involving forgery; (3) prohibit the payment of petition circulators on a per-signature basis; (4) prohibit petition circulators from soliciting or receiving signatures for two or more petitions simultaneously; (5) require petition circulators to supply information to the Office of the Secretary of State verifying their eligibility and to swear by affidavit that they will comply with the conditions of the bill; (6) specify that anyone violating the provisions of the bill will be guilty of a class A misdemeanor; (7) specify that signatures collected by unregistered circulators will not be counted; and (8) specify that anyone who knowingly signs any name other than his or her own to any petition will be guilty of a class one election offense.

Rep. J.C. Kuessner has proposed two constitutional amendments regarding petitions. **HJR 3** proposes an amendment increasing the percentage of required voter signatures in each of two-thirds of the Congressional districts before a petition can be placed on the ballot. **HJR 4** proposes an amendment requiring at least 60 percent of voters to approve amendments to the Missouri Constitution instead of the current simple majority requirement.

Illegal Immigration – **HB 104 (Wildberger)** changes the laws regarding sanctions for hiring unauthorized aliens to (1) require business entities being investigated for hiring unauthorized aliens to cooperate in the investigation and gives the Attorney General or prosecuting attorney subpoena powers to obtain information regarding the investigation; (2) change the number of days a business permit is suspended for knowingly hiring an unauthorized alien from a mandatory 14-day period to a period of up to 15 days, to be determined after consideration of certain specified factors; (3) require a court to order a business entity, for the first violation of knowingly hiring an unauthorized alien, to be put on a three-year probationary period, to submit quarterly reports to the Attorney General of all new employees hired during the probationary period, and to file a sworn affidavit within three business days of the court order with the court and Attorney General stating that it has terminated the employment of all unauthorized aliens; (4) require the court to enjoin a business entity that fails to file the affidavit within the three business day requirement from transacting business in the state until the affidavit is filed; (5) require that a business entity that knowingly hired an unauthorized alien while on probation to be permanently enjoined from doing business in the state; (6) specify that a person who submits a complaint against a business entity for hiring unauthorized aliens may receive up to 10 percent of any moneys recovered by the state for the violation; and (7) require the Department of Labor and Industrial Relations, beginning July 1, 2010, to determine which classification of employers will be required to verify the immigration status of employees through a federal work authorization program.

County Classification Changes – **SB 38 (Rupp)** and **HB 257 (Schieffer)** allows a county, after meeting the required assessed valuation, to become a second class county upon a vote of the governing body to change classifications. Currently, a county can only change classifications by a vote of the governing body if it is becoming a first class county; otherwise, the county must be at the required assessed valuation for five years before changing classifications. The effective date of the change in classification shall be at the beginning of the county fiscal year following the election by the governing body.

HB 328 (Hodges) establishes that when any county changes classification, this bill prohibits the salary established for each county official from being reduced until the official at the time of change leaves office.

Tax Maintenance Fund – Currently, in counties without a charter form of government the collector collects a seven percent fee for the collection of delinquent taxes. In counties with a charter form of government and St. Louis City, the collector collects a two percent fee for the collection of such taxes. Under **SB 123 (Griesheimer)**, in counties adopting a charter form of government after January 1, 2008, the collector shall collect a seven percent fee for the collection of delinquent taxes, while the collector in counties adopting a charter form of government before January 1, 2008, shall collect a two percent fee. Currently, all counties, except counties with a charter form of government excluding St. Charles County, are required to establish a "Tax Maintenance Fund" to be used solely as a depository for funds received or collected for the purpose of funding additional costs and expenses incurred in the collector's office. Under this bill, counties adopting a charter form of government after January 1, 2008, shall be required to establish such a fund as well. The bill also establishes that in the event a third or fourth class county abolishes its township organization, the county collector shall assume all duties, compensation, and requirements of the collector-treasurer.

County Tax Extension – **SB 257 (Schaefer)** and **HB 431 (Hobbs)** allows for the extension of certain county taxes upon voter approval.

Tire Abatement And Storm Water Runoff – **HB 374 (Hobbs)** provides for abating tires or storm water runoff conditions as nuisances in certain counties.

Competitive Bids – Under current law, counties may waive competitive bidding when the County Commission determines that there is only one feasible source for the supply. **SB 256 (Schaefer)** and **HB 376 (Hobbs)** requires counties to post notice on such proposed purchases of over \$6,000 and advertise the commission's intent to make such purchase in the newspaper at least 10 days in advance. Currently, the commission must post notice for such proposed purchases of at least \$3,000 and also advertise in the newspaper for such purchases of at least \$5,000.

Rental Property Occupancy Standards – **SB 247 (Schaefer)** and **HB 378 (Hobbs)** permits first class counties to establish occupancy standards for rental or lease properties.

Commissioners' Salaries – **HB 392 (Nolte)** removes the requirement that presiding county commissioners be paid \$2,000 more than the associate commissioners.

Inmate Work And Service Program – **HB 404 (Franz)** allows counties to establish an inmate work and service program, includes such program in county law enforcement-related expenses, and allows an assessment of up to \$10 on certain offenses.

Lawsuit Filed On Deputy Sheriffs' Salaries Fund – Last session's **SB 935 (Griesheimer)** established the "Deputy Sheriff Salary Supplementation Fund." As the law states, the sheriff receives an additional \$10 fee for service of any civil summons, writ, subpoena or other court order. The money received by the sheriff is collected by the county treasurer and made payable to the state treasurer, who deposits the money into the fund. The fund then supplements deputy sheriffs' salaries across the state. St. Charles and St. Louis Counties filed suit on December 22, 2008, challenging the law on a number of constitutional grounds.

Mark your calendars for the upcoming dates!

NACo Legislative Conference
March 7-11
Marriott Wardman Park Hotel
Washington, DC

MAC Legislative Conference
April 20
Capitol Plaza Hotel
Jefferson City, MO

NACo Annual Conference
July 24-28
Nashville, TN