

Missouri Municipal Attorneys Association  
Summer Seminar 2011

*Constitutional Limits to Municipal Authority*

PREPARED AND PRESENTED BY:

PAUL V. ROST, ESQ.  
EMILY RUSHING KELLY, ESQ.  
CUNNINGHAM, VOGEL & ROST, P.C.  
*legal counselors to local government*  
*paul@municipalfirm.com*  
*emily@municipalfirm.com*

OUR NEW ADDRESS EFFECTIVE AUGUST 1, 2011:

CUNNINGHAM, VOGEL & ROST, P.C.  
*legal counselors to local government*  
333 S. KIRKWOOD ROAD  
SUITE 300  
ST. LOUIS, MISSOURI 63122  
314.446.0800  
*www.municipalfirm.com*

July 15, 2011

## SELECTED SOURCES OF SIGNIFICANT CONSTITUTIONAL AUTHORITY

### ARTICLE III: LEGISLATIVE DEPARTMENT

**Section 38(c). Neighborhood improvement districts, cities and counties may be authorized to establish, powers and duties—limitation on indebtedness.**—1. The general assembly may authorize cities and counties to create neighborhood improvement districts and incur indebtedness and issue general obligation bonds to pay for all or part of the cost of public improvements within such districts. The cost of all indebtedness so incurred shall be levied and assessed by the governing body of the city or county on the property benefited by such improvements. The city or county shall collect the special assessments so levied and use the same to reimburse the city or county for the amount paid or to be paid by it on the general obligation bonds issued for such improvements.

2. Neighborhood improvement districts may be created by a city or county only when approved by the vote of a percentage of electors voting thereon within such district, or by a petition signed by the owners of record of a percentage of real property located within such district, that is equal to the percentage of voter approval required for the issuance of general obligation bonds under article VI, section 26.

3. The total amount of city or county indebtedness for all such districts shall not exceed ten percent of the assessed valuation of all taxable tangible property, as shown by the last completed property assessment for state or local purposes, within the city or county.

**Section 39. Limitation of power of general assembly.**—The general assembly shall not have power:

(1) To give or lend or to authorize the giving or lending of the credit of the state in aid or to any person, association, municipal or other corporation;

(2) To pledge the credit of the state for the payment of the liabilities, present or prospective, of any individual, association, municipal or other corporation;

(3) To grant or to authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;

(4) To pay or to authorize the payment of any claim against the state or any county or municipal corporation of the state under any agreement or contract made without express authority of law;

(5) To release or extinguish or to authorize the releasing or extinguishing, in whole or in part, without consideration, the indebtedness, liability or obligation of any corporation or individual due this state or any county or municipal corporation;

(6) To make any appropriation of money for the payment, or on account of or in recognition of any claims audited or that may hereafter be audited by virtue of an act entitled “An Act to Audit and Adjust the War Debts of the State,” approved March 19, 1874, or any act of a similar nature, until the claim so audited shall have been presented to and paid by the government of the United States to this state;

(7) To act, when convened in extra session by the governor, upon subjects other than those specially designated in the proclamation calling said session or recommended by special message to the general assembly after the convening of an extra session;

(8) To remove the seat of government from the City of Jefferson;

(9) Except as otherwise provided in section 39(b), section 39(c), section 39(e) or section 39(f) of this article, to authorize lotteries or gift enterprises for any purpose, and shall enact laws to prohibit the sale of lottery or gift enterprise tickets, or tickets in any scheme in the nature of a lottery; except that, nothing in this section shall be so construed as to prevent or prohibit citizens of this state from participating in games or contests of skill or chance where no consideration is required to be given for the privilege or opportunity of participating or for receiving the award or prize and the term “lottery or gift enterprise” shall mean only those games or contests whereby money or something of value is exchanged directly for the ticket or chance to participate in the game or contest. The general assembly may, by law, provide standards and conditions to regulate or guarantee the awarding of prizes provided for in such games or contests under the provision of this subdivision;

(10) To impose a use or sales tax upon the use, purchase or acquisition of property paid for out of the funds of any county or other political subdivision.

**Section 40. Limitations on passage of local and special laws.**—The general assembly shall not pass any local or special law:

(1) authorizing the creation, extension or impairment of liens;

(2) granting divorces;

(3) changing the venue in civil or criminal cases;

- (4) regulating the practice or jurisdiction of, or changing the rules of evidence in any judicial proceeding or inquiry before courts, sheriffs, commissioners, arbitrators or other tribunals, or providing or changing methods for the collection of debts, or the enforcing of judgments, or prescribing the effect of judicial sales of real estate;
- (5) summoning or empaneling grand or petit juries;
- (6) for limitation of civil actions;
- (7) remitting fines, penalties and forfeitures or refunding money legally paid into the treasury;
- (8) extending the time for the assessment or collection of taxes, or otherwise relieving any assessor or collector of taxes from the due performance of their duties, or their securities from liability;
- (9) changing the law of descent or succession;
- (10) giving effect to informal or invalid wills or deeds;
- (11) affecting the estates of minors or persons under disability;
- (12) authorizing the adoption or legitimation of children;
- (13) declaring any named person of age;
- (14) changing the names of persons or places;
- (15) vacating town plats, roads, streets or alleys;
- (16) relating to cemeteries, graveyards or public grounds not of the state;
- (17) authorizing the laying out, opening, altering or maintaining roads, highways, streets or alleys;
- (18) for opening and conducting elections, or fixing or changing the place of voting;
- (19) locating or changing county seats;
- (20) creating new townships or changing the boundaries of townships or school districts;
- (21) creating offices, prescribing the powers and duties of officers in, or regulating the affairs of counties, cities, townships, election or school districts;
- (22) incorporating cities, towns, or villages or changing their charters;
- (23) regulating the fees or extending the powers of aldermen, magistrates or constables;
- (24) regulating the management of public schools, the building or repairing of schoolhouses, and the raising of money for such purposes;
- (25) legalizing the unauthorized or invalid acts of any officer or agent of the state or of any county or municipality;
- (26) fixing the rate of interest;
- (27) regulating labor, trade, mining or manufacturing;
- (28) granting to any corporation, association or individual any special or exclusive right, privilege or immunity, or to any corporation, association or individual the right to lay down a railroad track;
- (29) relating to ferries or bridges, except for the erection of bridges crossing streams which form the boundary between this and any other state;
- (30) where a general law can be made applicable, and whether a general law could have been made applicable is a judicial question to be judicially determined without regard to any legislative assertion on that subject.

#### **ARTICLE IV: EXECUTIVE DEPARTMENT**

**Section 31. State highways in municipalities.**—Any state highway authorized herein to be located in any municipality may be constructed without limitations concerning the distance between houses or other buildings abutting such highway or concerning the width or type of construction. The commission may enter into contracts with cities, counties or other political subdivisions for and concerning the maintenance of, and regulation of traffic on any state highway within such cities, counties or subdivision.

#### **ARTICLE VI: LOCAL GOVERNMENT**

**Section 10. Terms of city and county offices.**—The terms of city or county offices shall not exceed four years.

**Section 15. Classification of cities and towns—uniform laws—change from special to general law.**—The general assembly shall provide by general laws for the organization and classification of cities and towns. The number of such classes shall not exceed four; and the powers of each class shall be defined by general laws so that all such municipal corporations of the same class shall possess the same powers and be subject to the same restrictions. The general assembly shall also make

provisions, by general law, whereby any city, town or village, existing by virtue of any special or local law, may elect to become subject to, and be governed by, the general laws relating to such corporations.

**Section 16. Cooperation by local governments with other governmental units.**—Any municipality or political subdivision of this state may contract and cooperate with other municipalities or political subdivisions thereof, or with other states or their municipalities or political subdivisions, or with the United States, for the planning, development, construction, acquisition or operation of any public improvement or facility, or for a common service, in the manner provided by law.

**Section 17. Consolidation and separation as between municipalities and other political subdivisions.**—The government of any city, town or village not in a county framing, adopting and amending a charter for its own government, may be consolidated or separated, in whole or in part, with or from that of the county or other political subdivision in which such city, town or village is situated, as provided by law.

**Section 19. Certain cities may adopt charter form of government—procedure to frame and adopt—notice required—effect of.**—Any city having more than five thousand inhabitants or any other incorporated city as may be provided by law may frame and adopt a charter for its own government. The legislative body of the city may, by ordinance, submit to the voters the question: “Shall a commission be chosen to frame a charter?” If the ordinance takes effect more than sixty days before the next election, the question shall be submitted at such election and if not, then at the next general election thereafter, except as herein otherwise provided. The question shall also be submitted on a petition signed by ten percent of the qualified electors of the city, filed with the body or official in charge of the city elections. If the petition prays for a special election and is signed by twenty percent of the qualified electors, a special election shall be held not less than sixty nor more than ninety days after the filing of the petition. The number of electors required to sign any petition shall be based upon the total number of electors voting at the last preceding general city election. The election body or official shall forthwith finally determine the sufficiency of the petition. The question, and the names or the groups of names of the electors of the city who are candidates for the commission, shall be printed on the same ballot without party designation. Candidates for the commission shall be nominated by petition signed by not less than two percent of the qualified electors voting at the next preceding city election, and filed with the election body or official at least thirty days prior to the election; provided that the signatures of one thousand electors shall be sufficient to nominate a candidate. If a majority of the electors voting on the question vote in the affirmative, the thirteen candidates receiving the highest number of votes shall constitute the commission. On the death, resignation or inability of any member to serve, the remaining members of the commission shall select the successor. All necessary expenses of the commission shall be paid by the city. The charter so framed shall be submitted to the electors of the city at an election held at the time fixed by the commission, but not less than thirty days subsequent to the completion of the charter nor more than one year from the date of the election of the commission. The commission may submit for separate vote any parts of the charter, or any alternative sections or articles, and the alternative sections or articles receiving the larger affirmative vote shall prevail if a charter is adopted. If the charter be approved by the voters it shall become the charter of such city at the time fixed therein and shall supersede any existing charter and amendments thereof. Duplicate certificates shall be made, setting forth the charter adopted and its ratification, signed by the chief magistrate of the city, and authenticated by its corporate seal. One of such certified copies shall be deposited in the office of the secretary of state and the other, after being recorded in the records of the city, shall be deposited among the archives of the city and all courts shall take judicial notice thereof. The notice of the election shall be published at least once a week on the same day of the week for at least three weeks in some daily or weekly newspaper of general circulation in the city or county, admitted to the post office as second class matter, regularly and consecutively published for at least three years, and having a list of bona fide subscribers who have voluntarily paid or agreed to pay a stated price for a subscription for a definite period of time, the last publication to be within two weeks of the election.

**Section 19(a). Power of charter cities, how limited.**—Any city which adopts or has adopted a charter for its own government, shall have all powers which the general assembly of the state of Missouri has authority to confer upon any city, provided such either by the charter so adopted or by statute. Such a city shall, in addition to its home rule powers, have all powers conferred by law.

**Section 20. Amendment to city charters—procedure to submit and adopt.**—Amendments of any city charter adopted under the foregoing provisions may be submitted to the electors by a commission as provided for a complete charter. Amendments may also be proposed by the legislative body of the city or by petition of not less than ten percent of the registered qualified electors of the city, filed with the body or official having charge of the city elections, setting forth the proposed amendment. The legislative body shall at once provide, by ordinance, that any amendment so proposed shall be submitted to the electors at the next election held in the city not less than sixty days after its passage, or at a special election held as provided for a charter. Any amendment approved by a majority of the qualified electors voting thereon, shall become a part of the charter at the time and under the conditions fixed in the amendment; and sections or articles may be submitted separately or in the alternative and determined as provided for a complete charter.

**Section 21. Reclamation of blighted, substandard or insanitary areas.**—Laws may be enacted, and any city or county operating under a constitutional charter may enact ordinances, providing for the clearance, replanning, reconstruction, redevelopment and rehabilitation of blighted, substandard or insanitary areas, and for recreational and other facilities incidental or appurtenant thereto, and for taking or permitting the taking, by eminent domain, of property for such purposes, and when so taken the fee simple title to the property shall vest in the owner, who may sell or otherwise dispose of the property subject to such restrictions as may be deemed in the public interest.

**Section 22. Laws affecting charter cities—officers and employees.**—No law shall be enacted creating or fixing the powers, duties or compensation of any municipal office or employment, for any city framing or adopting its own charter under this or any previous constitution, and all such offices or employments heretofore created shall cease at the end of the terms of any present incumbents.

**Section 23. Limitation on ownership of corporate stock, use of credit and grants of public funds by local governments.**—No county, city or other political corporation or subdivision of the state shall own or subscribe for stock in any corporation or association, or lend its credit or grant public money or thing of value to or in aid of any corporation, association or individual, except as provided in this constitution.

**Section 23(a). Cities may acquire and furnish industrial plants—indebtedness for.**—By vote of two-thirds of the qualified electors thereof voting thereon, any county, city or incorporated town or village in this state may become indebted for and may purchase, construct, extend or improve plants to be leased or otherwise disposed of pursuant to law to private persons or corporations for manufacturing, warehousing and industrial development purposes, including the real estate, buildings, fixtures and machinery; and the indebtedness incurred hereunder shall not be subject to the provisions of sections 26(a), 26(b), 26(c), 26(d) and 26(e) of Article VI of this Constitution; but any indebtedness incurred hereunder for this purpose shall not exceed ten percent of the value of taxable tangible property in the county, city, or incorporated town or village as shown by the last completed assessment for state and county purposes.

**Section 24. Annual budgets and reports of local government and municipally owned utilities—audits.**—As prescribed by law all counties, cities, other legal subdivisions of the state, and public utilities owned and operated by such subdivisions shall have an annual budget, file annual reports of their financial transactions, and be audited.

**Section 25. Limitation on use of credit and grant of public funds by local governments—pensions and retirement plans for employees of certain cities and counties.**—No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation except as provided in Article VI, Section 23(a) and except that the general assembly may authorize any county, city or other political corporation or subdivision to provide for the retirement or pensioning of its officers and employees and the surviving spouses and children of deceased officers and employees and may also authorize payments from any public funds into a fund or funds for paying benefits upon retirement, disability or death to persons employed and paid out of any public fund for educational services and to their beneficiaries or estates; and except, also, that any county of the first class is authorized to provide for the creation and establishment of death benefits, pension and retirement plans for all its salaried employees, and the surviving spouses and minor children of such deceased employees; and except also, any county, city or political corporation or subdivision may provide for the payment of periodic cost of living increases in pension and retirement benefits paid under this section to its retired officers and employees and spouses of deceased officers and employees, provided such pension and retirement systems will remain actuarially sound.

**Section 26(a). Limitation on indebtedness of local governments without popular vote.**—No county, city, incorporated town or village, school district or other political corporation or subdivision of the state shall become indebted in an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years, except as otherwise provided in this constitution.

**Section 26(b). Limitation on indebtedness of local government authorized by popular vote.**—Any county, city, incorporated town or village or other political corporation or subdivision of the state, by vote of the qualified electors thereof voting thereon, may become indebted in an amount not to exceed five percent of the value of taxable tangible property therein as shown by the last completed assessment for state or county purposes, except that a school district by a vote of the qualified electors voting thereon may become indebted in an amount not to exceed fifteen percent of the value of such taxable tangible property. For elections referred to in this section the vote required shall be four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections.

**Section 26(c). Additional indebtedness of counties and cities when authorized by popular vote.**—Any county or city, by a vote of the qualified electors thereof voting thereon, may incur an additional indebtedness for county or city purposes not to exceed five percent of the taxable tangible property shown as provided in section 26(b). For elections referred to in this section the vote required shall be four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections.

**Section 26(d). Additional indebtedness of cities for public improvements—benefit districts—special assessments.**—Any city, by vote of the qualified electors thereof voting thereon, may become indebted not exceeding in the aggregate an additional ten percent of the value of the taxable tangible property shown as provided in section 26(b), for the purpose of acquiring rights-of-way, constructing, extending and improving the streets and avenues and acquiring rights-of-way, constructing, extending and improving sanitary or storm sewer systems. The governing body of the city may provide that any portion or all of the cost of any such improvement be levied and assessed by the governing body on property benefited by such improvement, and the city shall collect any special assessments so levied and shall use the same to reimburse the city for the amount paid or to be paid by it on the bonds of the city issued for such improvement. For elections referred to in this section the vote required shall be four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections.

**Section 26(e). Additional indebtedness of cities for municipally owned water and light plants—limitations.**—Any city, by vote of the qualified electors thereof voting thereon, may incur an indebtedness in an amount not to exceed an additional ten percent of the value of the taxable tangible property shown as provided in section 26(b), for the purpose of paying all or any part of the cost of purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the city, provided the total general obligation indebtedness of the city shall not exceed twenty percent of the assessed valuation. For elections referred to in this section the vote required shall be four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections.

**Section 26(f). Annual tax to pay and retire obligations within twenty years.**—Before incurring any indebtedness every county, city, incorporated town or village, school district, or other political corporation or subdivision of the state shall provide for the collection of an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due, and to retire the same within twenty years from the date contracted.

**Section 27. Political subdivision revenue bonds for utility, industrial and airport purposes—restrictions.**—Any city or incorporated town or village in this state, by vote of a majority of the qualified electors thereof voting thereon, and any joint board or commission, established by a joint contract between municipalities or political subdivisions in this state, by compliance with then applicable requirements of law, may issue and sell its negotiable interest bearing revenue bonds for the purpose of paying all or part of the cost of purchasing, construction, extending or improving any of the following projects:

- (1) Revenue producing water, sewer, gas or electric light works, heating or power plants;
- (2) Plants to be leased or otherwise disposed of pursuant to law to private persons or corporations for manufacturing and industrial development purposes, including the real estate, buildings, fixtures and machinery; or
- (3) Airports.

The project shall be owned by the municipality or by the cooperating municipalities or political subdivisions or the joint board or commission, either exclusively or jointly or by participation with cooperatives or municipally owned or public utilities, the cost of operation and maintenance and the principal and interest of the bonds to be payable solely from the revenues derived by the municipality or by the cooperating municipalities or political subdivisions or the joint board or commission from the operation of the utility or the lease or operation of the project. The bonds shall not constitute an indebtedness of the state, or of any political subdivision thereof, and neither the full faith and credit nor the taxing power of the state or of any political subdivision thereof is pledged to the payment of or the interest on such bonds. Nothing in this section shall affect the ability of the public service commission to regulate investor-owned utilities.

**Section 27(a). Political subdivision revenue bonds issued for utilities and airports, restrictions.**—Any county, city or incorporated town or village in this state, by vote of a majority of the qualified electors thereof voting thereon, may issue and sell its negotiable interest bearing revenue bonds for the purpose of paying all or part of the cost of purchasing, constructing, extending or improving any of the following: (1) revenue producing water, gas or electric light works, heating or power plants; or (2) airports; to be owned exclusively by the county, city or incorporated town or village, the cost of operation and maintenance and the principal and interest of the bonds to be payable solely from the revenues derived by the county, city or incorporated town or village from the operation of the utility or airport.

**Section 27(b). Political subdivision revenue bonds issued for industrial development, restriction.**—Any county, city or incorporated town or village in this state, by a majority vote of the governing body thereof, may issue and sell its negotiable interest bearing revenue bonds for the purpose of paying all or part of the cost of purchasing, constructing, extending or improving any facility to be leased or otherwise disposed of pursuant to law to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes, including the real estate, buildings, fixtures and machinery. The cost of operation and maintenance and the principal and interest of the bonds shall be payable solely from the revenues derived by the county, city, or incorporated town or village from the lease or other disposal of the facility.

**Section 27(c). Revenue bonds defined.**—As used in article VI, sections 27(a) and 27(b), the term “revenue bonds” means bonds neither the interest nor the principal of which is an indebtedness or obligation of the issuing county, city or incorporated town or village.

**Section 28. Refunding bonds.**—For the purpose of refunding, extending, and unifying the whole or any part of its valid bonded indebtedness any county, city, school district, or other political corporation or subdivision of the state, under terms and conditions prescribed by law may issue refunding bonds not exceeding in amount the principal of the outstanding indebtedness to be refunded and the accrued interest to the date of such refunding bonds. The governing authority shall provide for the payment of interest at not to exceed the same rate, and the principal of such refunding bonds, in the same manner as was provided for the payment of interest and principal of the bonds refunded.

**Section 29. Application of funds derived from public debts.**—The moneys arising from any loan, debt, or liability contracted by the state, or any county, city, or other political subdivision, shall be applied to the purposes for which they were obtained, or to the repayment of such debt or liability, and not otherwise.

#### **ARTICLE VII: PUBLIC OFFICERS**

**Section 6. Penalty for nepotism.**—Any public officer or employee in this state who by virtue of his office or employment names or appoints to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment.

**Section 7. Appointment of officers.**—Except as provided in this constitution, the appointment of all officers shall be made as prescribed by law.

**Section 12. Tenure of office.**—Except as provided in this constitution, and subject to the right of resignation, all officers shall hold office for the term thereof, and until their successors are duly elected or appointed and qualified.

**Section 13. Limitation on increase of compensation and extension of terms of office.**—The compensation of state, county and municipal officers shall not be increased during the term of office; nor shall the term of any officer be extended.

#### **ARTICLE IX: EDUCATION**

**Section 8. Prohibition of public aid for religious purposes and institutions.**—Neither the general assembly, nor any county, city, town, township, school district or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the state, or any county, city, town, or other municipal corporation, for any religious creed, church, or sectarian purpose whatever.

#### **ARTICLE X: TAXATION**

**Section 1. Taxing power—exercise by state and local governments.**—The taxing power may be exercised by the general assembly for state purposes, and by counties and other political subdivisions under power granted to them by the general assembly for county, municipal and other corporate purposes.

**Section 2. Inalienability of power to tax.**—The power to tax shall not be surrendered, suspended or contracted away, except as authorized by this constitution.

**Section 3. Limitation of taxation to public purposes—uniformity—general laws—time for payment of taxes—valuation.**—Taxes may be levied and collected for public purposes only, and shall be uniform upon the same class or subclass of subjects within the territorial limits of the authority levying the tax. All taxes shall be levied and collected by general laws

and shall be payable during the fiscal or calendar year in which the property is assessed. Except as otherwise provided in this constitution, the methods of determining the value of property for taxation shall be fixed by law.

**Section 5. Taxation of railroads.**—All railroad corporations in this state, or doing business therein, shall be subject to taxation for state, county, school, municipal and other purposes, on the real and personal property owned or used by them, and on their gross earnings, their net earnings, their franchises and their capital stock.

**Section 6. Property exempt from taxation.**—1. All property, real and personal, of the state, counties and other political subdivisions, and nonprofit cemeteries, and all real property used as a homestead as defined by law of any citizen of this state who is a former prisoner of war, as defined by law, and who has a total service-connected disability, shall be exempt from taxation; all personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments shall be exempt from taxation; and all property, real and personal, not held for private or corporate profit and used exclusively for religious worship, for schools and colleges, for purposes purely charitable, for agricultural and horticultural societies, or for veterans' organizations may be exempted from taxation by general law. In addition to the above, household goods, furniture, wearing apparel and articles of personal use and adornment owned and used by a person in his home or dwelling place may be exempt from taxation by general law but any such law may provide for approximate restitution to the respective political subdivisions of revenues lost by reason of the exemption. All laws exempting from taxation property other than the property enumerated in this article, shall be void. The provisions of this section exempting certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments from taxation shall become effective, unless otherwise provided by law, in each county on January 1 of the year in which that county completes its first general reassessment as defined by law.

2. All revenues lost because of the exemption of certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments shall be replaced to each taxing authority within a county from a countywide tax hereby imposed on all property in subclass 3 of class 1 in each county. For the year in which the exemption becomes effective, the county clerk shall calculate the total revenue lost by all taxing authorities in the county and extend upon all property in subclass 3 of class 1 within the county, a tax at the rate necessary to produce that amount. The rate of tax levied in each county according to this subsection shall not be increased above the rate first imposed and will stand levied at that rate unless later reduced according to the provisions of subsection 3. The county collector shall disburse the proceeds according to the revenue lost by each taxing authority because of the exemption of such property in that county. Restitution of the revenues lost by any taxing district contained in more than one county shall be from the several counties according to the revenue lost because of the exemption of property in each county. Each year after the first year the replacement tax is imposed, the amount distributed to each taxing authority in a county shall be increased or decreased by an amount equal to the amount resulting from the change in that district's total assessed value of property in subclass 3 of class 1 at the countywide replacement tax rate. In order to implement the provisions of this subsection, the limits set in section 11(b) of this article may be exceeded, without voter approval, if necessary to allow each county listed in section 11(b) to comply with this subsection.

3. Any increase in the tax rate imposed pursuant to subsection 2 of this section shall be decreased if such decrease is approved by a majority of the voters of the county voting on such decrease. A decrease in the increased tax rate imposed under subsection 2 of this section may be submitted to the voters of a county by the governing body thereof upon its own order, ordinance, or resolution and shall be submitted upon the petition of at least eight percent of the qualified voters who voted in the immediately preceding gubernatorial election.

4. As used in this section, the terms "revenues lost" and "lost revenues" shall mean that revenue which each taxing authority received from the imposition of a tangible personal property tax on all personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments in the last full tax year immediately preceding the effective date of the exemption from taxation granted for such property under subsection 1 of this section, and which was no longer received after such exemption became effective.

**Section 9. Immunity of private property from sale for municipal debts.**—Private property shall not be taken or sold for the payment of the corporate debt of a municipal corporation.

**Section 11(a). Taxing jurisdiction of local governments—limitation on assessed valuation.**—Taxes may be levied by counties and other political subdivisions on all property subject to their taxing power, but the assessed valuation therefor in such other political subdivisions shall not exceed the assessed valuation of the same property for state and county purposes.

**Section 11(b). Limitations on local tax rates.**—Any tax imposed upon such property by municipalities, counties or school districts, for their respective purposes, shall not exceed the following annual rates:

For municipalities—one dollar on the hundred dollars assessed valuation;

For counties—thirty-five cents on the hundred dollars assessed valuation in counties having three hundred million dollars, or more, assessed valuation and having by operation of law attained the classification of a county of the first class; and fifty cents on the hundred dollars assessed valuation in all other counties;

For school districts formed of cities and towns, including the school district of the city of St. Louis—two dollars and seventy-five cents on the hundred dollars assessed valuation;

For all other school districts—sixty-five cents on the hundred dollars assessed valuation.

**Section 11(c). Increase of tax rate by popular vote—further limitation by law—exceptions to limitation.**—In all municipalities, counties and school districts the rates of taxation as herein limited may be increased for their respective purposes when the rate and purpose of the increase are submitted to a vote and two-thirds of the qualified electors voting thereon shall vote therefor; provided in school districts the rate of taxation as herein limited may be increased for school purposes so that the total levy shall not exceed six dollars on the hundred dollars assessed valuation, except as herein provided, when the rate and the purpose of the increase are submitted to a vote and a majority of the qualified electors voting thereon shall vote therefor; provided, that in any school district where the board of education is not proposing a higher tax rate for school purposes, the last tax rate approved shall continue and the tax rate need not be submitted to the voters; provided, that in school districts where the qualified voters have voted against a proposed higher tax rate for school purposes, then the rate shall remain at the rate approved in the last previous school election except that the board of education shall be free to resubmit any higher tax rate at any time; provided that any board of education may levy a lower tax rate than approved by the voters as authorized by any provision of this section; and provided, that the rates herein fixed, and the amounts by which they may be increased may be further limited by law; and provided further, that any county or other political subdivision, when authorized by law and within the limits fixed by law, may levy a rate of taxation on all property subject to its taxing powers in excess of the rates herein limited, for library, hospital, public health, recreation grounds and museum purposes.

**Section 11(e). Exclusion of bonded debt from limitations on tax rates.**—The foregoing limitations on rates shall not apply to taxes levied for the purpose of paying any bonded debt.

**Section 11(f). Authorization of local taxes other than ad valorem taxes.**—Nothing in this constitution shall prevent the enactment of any general law permitting any county or other political subdivision to levy taxes other than ad valorem taxes for its essential purposes.

**Section 13. Tax sales—limitations—contents of notices.**—No real property shall be sold for state, county or city taxes without judicial proceedings, unless the notice of sale shall contain the names of all record owners thereof, or the names of all owners appearing on the land tax book, and all other information required by law.

**Section 15. Definition of “other political subdivision”.**—The term “other political subdivision,” as used in this article, shall be construed to include townships, cities, towns, villages, school, road, drainage, sewer and levee districts and any other public subdivision, public corporation or public quasi-corporation having the power to tax.

**Section 16. Taxes and state spending to be limited—state to support certain local activities—emergency spending and bond payments to be authorized.**—Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive, of this article.

**Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding.**—The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivisions, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

**Section 22. Political subdivisions to receive voter approval for increases in taxes and fees—rollbacks may be required—limitation not applicable to taxes for bonds.**—(a) Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b) The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

**Section 23. Taxpayers may bring actions for interpretations of limitations.**—Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county, or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

**Section 24. Voter approval requirements not exclusive—self-enforceability.**—(a) The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b) The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

**Section 25. Sale or transfer of homes or other real estate, prohibition on imposition of any new taxes, when.**—After the effective date of this section, the state, counties, and other political subdivisions are hereby prevented from imposing any new tax, including a sales tax, on the sale or transfer of homes or any other real estate.

## **ARTICLE XI: CORPORATIONS**

**Section 11. Local consent for street railroads.**—No law shall grant the right to construct and operate a street railroad within any city, town, village, or on any public highway, without first acquiring the consent of the local authorities having control of the street or highway, and the franchises so granted shall not be transferred without similar assent first obtained.

## **ARTICLE XIII: PUBLIC EMPLOYEES**

**Section 2. Medical benefits may be authorized for political subdivision officers, employees and their dependents.**—Other provisions of this constitution to the contrary notwithstanding, the general assembly may authorize any county, city or other political corporation or subdivision to provide or contract for health insurance benefits, including but not limited to hospital, chiropractic, surgical, medical, optical, and dental benefits, for officers and employees and their dependents.

---

### **NOTICE & DISCLAIMER**

These seminar materials and the related presentation are intended for discussion purposes and to provide those attending the seminar with useful ideas and guidance on the topics and issues covered. Although we have made every effort to ensure the accuracy of these materials and the presentation, neither the attorney presenting this seminar nor Cunningham, Vogel & Rost, P.C. assumes any responsibility for any individual's reliance on the written or oral information presented.