

Thank You – This year marks the 10-year anniversary of the founding of Cunningham, Vogel & Rost, P.C., the first law firm in Missouri formed to serve exclusively the interests of local governments. We would once again like to thank our many municipal clients for a decade of trust and support. Special thanks to Representative Jeanne Kirkton and Missouri House of Representatives for enacting a Resolution recognizing CVR's significant milestone in representing public entities. Thank you! [Click here for photos from the Open House.](#)

New Legislation of Municipal Interest – The General Assembly also passed several bills which impact Missouri municipalities in the recently-ended legislative session:

- **Out-of-State Sales Tax "Fix" (HB 1329)**; This bill was passed in response to the recent Missouri Supreme Court case of *Street v. Dir. of Revenue, SC91371 (Mo. banc Jan. 31, 2012)*, which held that local sales taxes could not be collected on out-of-state purchases of motor vehicles. The bill specifies that the sale of a motor vehicle, regardless of whether the sale took place in Missouri, must be deemed to be consummated at the purchaser's residence and restores, retroactively and prospectively, the application of Missouri's local sales tax law so that local sales taxes continue to be imposed on both in-state and out-of-state purchases of motor vehicles. Without this bill, cities that have no use tax will lose revenue previously collected under the local sales tax on out-of-state purchases; some estimates put this at 20% of sales tax revenue on vehicles. **However, information from the Governor's office has indicated that Gov. Nixon will veto this bill.**

- **Business License Taxes (HB 1504)**; This bill — pushed by the Missouri Chamber of Commerce without hearing or prior consultation with the Municipal League — limits municipal license tax collection authority. Essentially, the bill changes the applicable interest rate from 9% (or greater) to 3% currently, limits penalties to 5% (without "willful" neglect or fraud), and shortens the time to file suit against the taxpayer from 5 years (in most cases) to 3 years. It would also likely preclude enforcement of City ordinances that provide their own interest and penalties for delinquent business license taxes. **City financial officials should contact the MML for any legislative recourse and also should review any pending claims for delinquent business license taxes to ensure rights are protected. The bill is currently awaiting signature by the Governor.**

- **Billboard Resetting (SB 607)**; This bill allows certain billboards along the state highway system that are displaced by construction and realignment of highways to be reset utilizing previous rules in effect in 1999. Unlike previous versions of this bill in years past, local zoning authorities (i.e., municipalities) may reject billboards which may otherwise be reset, but do not comply with local zoning regulations. **Local officials should review their zoning and sign regulations to ensure they can properly address billboards that could be reset under this bill.**

- **Annexation (HB 1900)**; This bill changes some of the legal technicalities related to annexations. Specifically, the bill now allows petitions for voluntary annexations to be notarized rather than formally "verified" as true, and states that legal actions to challenge annexations must be brought within three years of the annexation, except challenges to deannex where municipal services have not been extended to the annexed area within three years must be brought within four years.

- **Commercial Routes on City Streets (HB 1402, SB 470, SB 480)**; A municipality must now allow at least one route to be used by commercial vehicles to access any roads in the state highway system. No municipality may pass an ordinance that denies the use of commercial vehicles on all routes within the municipality. **Ordinances that restrict commercial vehicles on city streets should reviewed to ensure that the required minimum commercial route is provided.**

This summary of recent legislation affecting municipalities is not exhaustive. Additional information about 2012 bills that impact municipalities can be found here on the [Missouri Municipal League's website](#).

New Employment Law Resources Available – As the number of federal and state laws which relate to employee information (social security number, personal information, medical information, etc.) maintained by employers increases, maintaining employee records and responding to requests for such information necessitates more legal review and more sophisticated file management than what has occurred in the past. Additionally, employment record management is impacted to retention guidelines requiring municipalities to retain some employment records for as long as 75 years, while other records may be retained for as short as 1 year. To help municipalities meet the obligations related to employment files, CVR has prepared a packet of procedures drawn from the "best practices" we have observed that is available on the [Resources Page of CVR's website](#) under "Employment Law Resources." Resources include [Guidance for Maintaining Employee Files](#), [Sample Personnel File Organization](#), and [Employment File Retention](#). Please consult legal counsel before implementing any policy, rule, form, or practice to ensure compliance with your specific situation. If you would like a CVR attorney to conduct an audit of your city's employment practices, please contact Dave Davis at dave@municipalfirm.com.

FEEDBACK – Please let us know how we are doing. If you have suggestions for improving this service, we welcome those comments.

If you need further assistance on any of these matters, please consult your City Attorney or Legal Department for particularized guidance or contact us at:

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To access previous reports on our website: [CLICK HERE](#).

Upcoming Dates & Deadlines for Missouri Municipalities*

4 weeks before your July meeting – 3rd class cities must publish newspaper notice that bids for City depository will be received

June 19 – Notify Dept. of Revenue of ordinance opting-out of "Back to School" Sales Tax Holiday (at option of City)

June 30 – Annual liquor licenses expire

July 1 – City Treasurer makes report of revenues and expenditures of City to Board of Aldermen in 4th class cities

Regular July meeting of City Council – 3rd class cities select City depository for one year term

Mid-late Aug. – Conduct public hearing on property tax rate with 7-day newspaper notice (Cities not in charter Counties)

August 28 – New state statutes go into effect (unless passed as emergency legislation or later date is provided in statute)

Sept. 1 – Set property tax levy (Cities not in charter Counties)

*This list is not exhaustive. For the complete **Calendar of Procedural Deadlines for Missouri Municipalities**, click below:

[Jan. 1–Dec. 31 Fiscal Year](#)

[July 1–June 30 Fiscal Year](#)

Also see CVR's

[Annual Requirements for Missouri Municipal Special Purpose Entities](#)

Municipal Links

[Missouri Municipal League](#)

[St. Louis County Municipal League](#)

[Mid-America Regional Council \(KC Area\)](#)

[East-West Gateway Council of Governments](#)

For more, visit CVR's [Resources Page](#)