

311.620. 1. No person shall be appointed as agent, assistant, deputy or inspector under the provisions of the liquor control law or the Missouri Patient Care Act who shall have been convicted of or against whom any indictment may be pending for any offense; nor shall any person be appointed as such agent, assistant, deputy or inspector who is not of good character or who is not a citizen of the United States, and who is not or has not been a resident taxpaying citizen of the state for a period of three years previous to his appointment; or who is not able to read and write the English language or who does not possess ordinary physical strength and who is not able to pass such physical and mental examination as the majority of a board, consisting of the governor, lieutenant governor, attorney general, and the supervisor of liquor control may prescribe.

2. No agent, assistant, deputy or inspector so appointed shall hold any other commission or office, elective or appointive or accept any other employment compensation while he is an employee of the department of liquor control, except with the written permission of the supervisor of liquor control. No agent, assistant, deputy or inspector of the department of liquor control shall accept any reward or gift other than his regular salary and expenses as provided in this chapter. No agent, assistant, deputy or inspector of the department of liquor control shall perform any police duty connected with the conduct of any election, nor at any time or in any manner electioneer for or against any party ticket, or any candidate for nomination or office on any party ticket, nor for or against any proposition of any kind or nature to be voted upon at any election.

3. The agents, assistants, deputies and inspectors appointed under the provisions of section 311.610 shall before entering upon the discharge of their duties, each take and subscribe an oath to support the Constitution and laws of the United States and the State of Missouri and to faithfully demean themselves in office in the form prescribed by Section 11, Article VII of the Constitution of this State, and they shall each give bond to be approved by the supervisor of liquor control for faithful performance of the duties of their respective offices and to safely keep and account for all moneys and property received by them. This bond shall be in the sum of five thousand dollars, and the cost of furnishing all such bonds shall be paid by the state.

4. Any agent, assistant, deputy or inspector of the department of liquor control who shall violate the provisions of this chapter shall be immediately discharged.

311.630. 1. The supervisor of alcohol and tobacco control and employees to be selected and designated as peace officers by the supervisor of alcohol and tobacco control are hereby declared to be peace officers of the state of Missouri, with full power and authority to make arrests and searches and seizures only for violations of the provisions of this chapter relating to intoxicating liquors, [and] sections 407.924 to 407.934 relating to tobacco products, and sections 195.900 to 195.985 and to serve any process connected with the enforcement of such laws. The peace officers so designated shall have been previously appointed and qualified under the provisions of section 311.620 and shall be required to hold a valid peace officer license pursuant to chapter 590.

2. The supervisor of alcohol and tobacco control shall furnish such peace officers with credentials showing their authority and a special badge, which they shall carry on their person at all times while on duty. The names of the peace officers so designated shall be made a matter of public record in the office of the supervisor of alcohol and tobacco control.

3. All fees for the arrest and transportation of persons arrested and for the service of writs and process shall be the same as provided by law in criminal proceedings and shall be taxed as costs.

311.660. 1. The supervisor of liquor control shall have the authority to suspend or revoke for cause all such licenses; and to make the following regulations, without limiting the generality of provisions empowering the supervisor of liquor control as in this chapter set forth as to the following matters, acts and things:

(1) Fix and determine the nature, form and capacity of all packages used for containing intoxicating liquor of any kind, to be kept or sold under this law;

(2) Prescribe an official seal and label and determine the manner in which such seal or label shall be attached to every package of intoxicating liquor so sold under this law; this includes prescribing different official seals or different labels for the different classes, varieties or brands of intoxicating liquor;

(3) Prescribe all forms, applications and licenses and such other forms as are necessary to carry out the provisions of this chapter, except that when a licensee substantially complies with all requirements for the renewal of a license by the date on which the application for renewal is due, such licensee shall be permitted at least an additional ten days from the date notice is sent that the application is deficient, in which to complete the application;

(4) Prescribe the terms and conditions of the licenses issued and granted under this law;

(5) Prescribe the nature of the proof to be furnished and conditions to be observed in the issuance of duplicate licenses, in lieu of those lost or destroyed;

(6) Establish rules and regulations for the conduct of the business carried on by each

specific licensee under the license, and such rules and regulations if not obeyed by every licensee shall be grounds for the revocation or suspension of the license;

(7) The right to examine books, records and papers of each licensee and to hear and determine complaints against any licensee;

(8) To issue subpoenas and all necessary processes and require the production of papers, to administer oaths and to take testimony;

(9) Prescribe all forms of labels to be affixed to all packages containing intoxicating liquor of any kind; and

(10) To make such other rules and regulations as are necessary and feasible for carrying out the provisions of this chapter, as are not inconsistent with this law.

2. The supervisor of liquor control shall have the authority to regulate and control the licensing of the cultivation, manufacture, distribution, testing, possession, and sale of medical cannabis in this state; to grant or refuse state licenses for the cultivation, manufacture, distribution, testing, possession, and sale of medical cannabis as provided by law; suspend, fine, restrict, or revoke such licenses upon a violation of sections 195.900 to 195.985, or a rule promulgated under sections 195.900 to 195.985; to impose any penalty authorized by sections 195.900 to 195.985, or any rule promulgated under sections 195.900 to 195.985; and to establish, revise, and amend rules and regulations as necessary to carry into effect the provisions of sections 195.900 to 195.985 as set forth in section 195.906.

STATE OF MISSOURI }
 } ss
Secretary of State

I, John R. Ashcroft, Secretary of State of the State of Missouri, hereby certify that the foregoing is a full, true and complete copy of Proposition C, to be submitted to the qualified voters of the State of Missouri at the General Election to be held the sixth day of November, 2018.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix the Great Seal of the State of Missouri, done at the City of Jefferson, this 28th day of August, 2018.



John R. Ashcroft
Secretary of State

PROPOSITION D

[Proposed by the 99th General Assembly (Second Regular Session) SS 2 HB 1460]

OFFICIAL BALLOT TITLE:

Shall Missouri law be amended to fund Missouri state law enforcement by increasing the motor fuel tax by two and one half cents per gallon annually for four years beginning July 1, 2019, exempt Special Olympic, Paralympic, and Olympic prizes from state taxes, and to establish the Emergency State Freight Bottleneck Fund?

If passed, this measure will generate at least \$288 million annually to the State Road Fund to provide for the funding of Missouri state law enforcement and \$123 million annually to local governments for road construction and maintenance.

To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.

Section A. Sections 142.803 and 143.121, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 142.803, 143.121, and 226.145, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel, seventeen cents per gallon until June 30, 2019. For the fiscal year beginning on or after July 1, 2019, and ending on or before June 30, 2020, such tax shall be nineteen and one-half cents per gallon. For the fiscal year beginning on or after July 1, 2020, and ending on or before June 30, 2021, such tax shall be twenty-two cents per gallon. For the fiscal year beginning on or after July 1, 2021, and ending on or before June 30, 2022, such tax shall be twenty-four and one-half cents per gallon. For all fiscal years beginning on or after July 1, 2022, such tax shall be twenty-seven cents per gallon. Subject to appropriation, the state portion of the revenue generated by the increases in the rate of tax beginning July 1, 2019, shall be used for the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations;

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The determination by the director of the power potential equivalent of such alternative fuel shall be prima facie correct;

(3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

(4) Compressed natural gas fuel, five cents per gasoline gallon

equivalent until December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until December 31, 2024, [and then] seventeen cents per gasoline gallon equivalent from January 1, 2025, until December 31, 2025, and then twenty-seven cents per gasoline gallon equivalent thereafter. The gasoline gallon equivalent and method of sale for compressed natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but not limited to licensing, reporting, penalties, and interest;

(5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31, 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024, [and then] seventeen cents per diesel gallon equivalent from January 1, 2025, until December 31, 2025, and then twenty-seven cents per diesel gallon equivalent thereafter. The diesel gallon equivalent and method of sale for liquefied natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and interest;

(6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per gallon from January 1, 2020, until December 31, 2024, [and then] seventeen cents per gallon from January 1, 2025, until December 31, 2025, and then twenty-seven cents per gallon thereafter. All applicable provisions contained in this chapter governing administration, collection, and enforcement of the state motor fuel tax shall apply to the tax imposed on propane gas including, but not limited to, licensing, reporting, penalties, and interest;

(7) If a natural gas, compressed natural gas, liquefied natural gas, electric, or propane connection is used for fueling motor vehicles and for another use, such as heating, the tax imposed by this section shall apply to the entire amount of natural gas, compressed natural gas, liquefied natural gas, electricity, or propane used unless an approved separate metering and accounting system is in place.

2. Notwithstanding any provision of law to the contrary, beginning on January 1, 2026, all motor fuels and alternative fuels, including, but not limited to, gasoline, diesel fuel, electricity, hydrogen, propane, compressed natural gas, and liquified natural gas, shall be taxed at substantially the equivalent rate. The department of agriculture, in cooperation with the department of revenue, shall where necessary promulgate a rule on or before December 31, 2023, to implement the provisions of this subsection. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

3. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be precollected as described in this chapter, for the facility and convenience of the consumer. The levy and assessment on other persons as specified in this chapter shall be as agents of this state for the precollection of the tax.

4. In order to ensure that the revenues generated by this section are used for their designated purposes, the state auditor shall biennially audit such funds and provide a report to the general assembly. Such report may be included as part of an audit of a department or agency receiving such funds.

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(4) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code (26 U.S.C. Section 103, as amended). The previous section shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions

or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code (26 U.S.C. Section 265, as amended). The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code (26 U.S.C. Section 168) as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to Section 168 of the Internal Revenue Code of 1986 (26 U.S.C. Section 168) as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986 (26 U.S.C. Section 172), as amended, other than the deduction allowed by Section [172(b)(1)(G)] 172(b)(1)(F) and Section [172(i)] 172(h) of the Internal Revenue Code of 1986 (26 U.S.C. Section 172), as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code (26 U.S.C. Section 168) as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section 168 of the Internal Revenue Code (26 U.S.C. Section 168) as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise

excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat.

Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection; and

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan; and
- (i) Livestock Gross Margin insurance plan.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1033), as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

8 of this section shall expire on December 31, 2020.

10. Gross income shall not include the value of any prize or award won by a taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games. This subsection shall be known and may be cited as the "Olympic Dream Freedom Act".

226.145. 1. (1) There is hereby created in the state treasury the "Emergency State Freight Bottleneck Fund", which shall consist of moneys appropriated by the general assembly. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and money in the fund shall be used solely to finance eligible projects under this section.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

2. Projects eligible for financing under this section shall:

(1) Be a major road improvement with an estimated construction cost of fifty million dollars or more;

(2) Be an improvement needed to eliminate a bottleneck, a twenty minute delay or more during peak hours, that impacts the distribution of goods and on-time delivery of freight;

(3) Be an improvement needed to reduce fatal and disabling motor vehicle crashes within an area designated as a safe travel zone by the department of transportation;

(4) Be an improvement listed on the 2014 state freight plan; and

(5) Be slated to receive not less than thirty-five percent of the funds required for project completion from sources other than the state road fund or general revenue.

3. If in any given fiscal year there are insufficient funds in the emergency state freight bottleneck fund to finance all eligible projects under this section, such eligible projects shall be rank ordered and given priority based on the Missouri state infra-grant application criteria published by the department of transportation.

Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at an election which is hereby ordered and which shall be held and conducted on Tuesday next following the first Monday in November, 2018, pursuant to the laws and constitutional provisions of this state for the submission of referendum measures by the general assembly, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.

Section C. Pursuant to chapter 116, and other applicable constitutional provisions and laws of this state allowing the general assembly to adopt ballot language for the submission of referendum measures to the voters of this state, the official summary statement of the act proposed in section A of this act shall be as follows:

"Shall Missouri law be amended to fund Missouri state law enforcement by increasing the motor fuel tax by two and one half cents per gallon annually for four years beginning July 1, 2019, exempt Special Olympic, Paralympic, and Olympic prizes from state taxes, and to establish the Emergency State Freight Bottleneck Fund?"

Section D. Pursuant to chapter 116, and other applicable constitutional provisions and laws of this state allowing the general assembly to adopt ballot language for the submission of referendum measures to the voters of this state, the official fiscal note summary of the act proposed in section A of this act shall be as follows:

"If passed, this measure will generate at least \$288 million annually to the State Road Fund to provide for the funding of Missouri state law enforcement and \$123 million annually to local governments for road construction and maintenance."

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

STATE OF MISSOURI }
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Secretary of State

I, John R. Ashcroft, Secretary of State of the State of Missouri, hereby certify that the foregoing is a full, true and complete copy of Proposition D, to be submitted to the qualified voters of the State of Missouri at the General Election to be held the sixth day of November, 2018.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix the Great Seal of the State of Missouri, done at the City of Jefferson, this 28th day of August, 2018.



John R. Ashcroft
Secretary of State