



FRANK WHITE, JR.
Jackson County Executive

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MARY JO SPINO
COUNTY CLERK

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July 19, 2023

County Executive Veto and Appeal for Consensus on Proposed Use Tax Ordinance 5764

Dear Honorable Chairman and Members of the Legislature,

As we delve into the continued discourse around our proposed use tax, I trust this message finds you open to new perspectives and potential avenues for compromise.

The imperative to ensure Jackson County's economic stability and cater to the diverse requirements of our constituents is a task that requires our undivided attention. Ordinance 5764, as it stands, does not grant us the adaptability we may need to address future concerns and developments effectively.

Driven by the responsibility we share toward our county and its residents, I feel compelled to issue a veto of Ordinance 5764. This disapproval is not an outright rejection but an appeal to refine our approach, to craft legislation that is resilient and able to accommodate unforeseen changes.

In this spirit, I direct your attention to the alternative language proposed by our esteemed County Administrator, Mr. Troy Schulte:

"Shall Jackson County, Missouri impose a local use tax (a sales tax on purchases made from out-of-state sellers by in-state buyers and on certain intrabusiness transactions) at the same rate as the total County sales tax rate, for the purpose of the following: funding repairs and improvements to County facilities (excluding stadiums); improve roads, bridges, and trails within the County; and support affordable housing efforts within the County provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action?"

This suggested language presents us with a comprehensive approach that is transparent yet flexible, allowing us to address the evolving needs of our county.

I urge you to consider this appeal and refrain from overriding this veto. Instead, let us come together to swiftly adopt the language proposed by Mr. Schulte in a new ordinance, which I am prepared to endorse. We have until August 29, 2023 to bring this to fruition.

Together, let us demonstrate our commitment to thoughtful and adaptable governance in service of Jackson County and its residents. Thank you for your consideration and continued service.

With respect,

Frank White, Jr.
County Executive, Jackson County

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE submitting to the qualified voters of Jackson County, Missouri, at a special election to be held on November 7, 2023, a question authorizing Jackson County to impose a local use tax at the rate authorized by law.

ORDINANCE NO. 5764, June 26, 2023

INTRODUCED BY DaRon McGee, County Legislator

WHEREAS, section 144.757, RSMo Supp. 2022, authorizes each county and municipality to impose, if approved by its qualified voters, a local use tax at the local sales tax rate in effect in the county or municipality, on tangible personal property purchased in a foreign jurisdiction upon which no sales tax has been paid; and,

WHEREAS, Jackson County businesses are at a disadvantage when competing with foreign businesses in the sale of products because foreign businesses pay a use tax equal to the combined sales tax only to those jurisdictions that impose use taxes, which Jackson County does not, while Jackson County businesses pay the full sales tax, the net effect of which is the tax is less for a purchaser in Jackson County if that purchaser buys from a foreign vendor; and,

WHEREAS, it is the desire of the Legislature to assist Jackson County businesses and level the playing field for them to compete with foreign vendors; now therefore,

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, as follows:

Section 1. Pursuant to the provisions of §144.757, RSMo. Supp. 2022, there is hereby submitted to the qualified voters of Jackson County, Missouri, at a special election to be held on November 7, 2023, a question authorizing Jackson County to impose a local use tax.

Section 2. If authorized, the local use tax will be imposed on the privilege of storing, using, or consuming within Jackson County, any article of tangible person property not exempt from or subject to Missouri state and local sales taxes, but will not apply with respect to the storage, use, or consumption of any article of tangible personal property purchased, produced, or manufactured outside the state of Missouri until the transportation of the article has finally come to rest within Jackson County or until the article has become commingled with the general mass or property of Jackson County.

Section 3. The proceeds of the local use tax are to be used solely for road and bridge construction and repair projects within Jackson County, including projects within the corporate limit of cities within the County, for financial assistance to homeless persons and persons at risk of becoming homeless, and for renovations to the Jackson County Courthouse in downtown Kansas City, and the Historic Truman Courthouse and Eastern Jackson County Courthouse in Independence, except that a portion of the tax's proceeds may be used to pay the costs incurred by the appropriate election authorities in conducting the election provided for in this Ordinance.

Section 4. The initial rate of the local use tax shall be one and one-half percent (1.5%). If any Jackson County sales tax is repealed or the rate thereof is reduced or raised, pursuant to voter approval, the local use tax rate shall also be deemed to be repealed, reduced, or raised by the same action.

Section 5. No person shall be required to file a use tax return by virtue of the local use tax authorized by the Ordinance if that person's total purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar year; and,

Section 6. The qualified voters at said election shall vote by ballot and the ballots to be used at said election shall contain the following language:

**JACKSON COUNTY, MISSOURI
QUESTION # 1
SPECIAL ELECTION
NOVEMBER 7, 2023
OFFICIAL BALLOT**

Shall Jackson County impose a local use tax for the purpose of financing road and bridge construction projects within the County, including projects within the corporate limits of cities within the County, for financial assistance to homeless persons and persons at risk of becoming homeless, and for renovations and repairs to the Jackson County Courthouse in downtown Kansas City and the Eastern Jackson County Courthouse and Historic Truman Courthouse in Independence, at the same rate as the total local sales tax rate, provided that, if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action?

YES ☐

NO ☐

If you are in favor of the question, place an "x" in the box opposite "Yes." If you are opposed to the question, place an "x" in the box opposite "No."

Section 7. If the majority of the qualified voters at said election shall vote in favor of the approval of this question, the local use tax, if imposed by the County Legislature, shall be effective on the first day of the first calendar quarter that begins at least forty-five days after the Director of the Missouri Department of Revenue receives notice of the adoption of the local use tax.

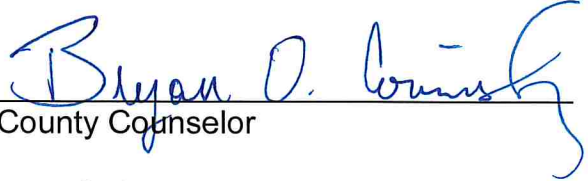
Section 8. The Clerk of the Legislature is hereby authorized and directed to notify the Jackson County and Kansas City Boards of Election Commissioners of the adoption of this Ordinance no later than 5:00 p.m. on August 29, 2023, and to include in said notification all of the terms and provisions required by §115.125, RSMo Supp. 2022.

Effective Date: This ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:



Chief Deputy County Counselor



County Counselor

I hereby certify that the attached Ordinance, Ordinance No. 5764 introduced on June 26, 2023, was duly passed on July 10, 2023 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 6

Nays 2


Abstaining 0

Absent 1

This Ordinance is hereby transmitted to the County Executive for his signature.

7-10-2023

Date



Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance No. 5764.

Date

Frank White, Jr., County Executive