

# **2026 Legislative Priorities**

#### **Preservation and Expansion of Municipal Revenue Sources**

Each Legislative session we continue to see bills filed that negatively impact municipal revenues. The most concerning legislation would have exempted food from local sales taxes. This would significantly reduce sales taxes for cities, counties, and other local taxing entities – perhaps as much as 25%. A recent fiscal note estimated the financial impact to be around \$1.3 billion across local governments statewide. Other revenues, likely property taxes, would have to be increased or vital services would need to be reduced or eliminated. Neither is a desirable option.

In 2024, legislation passed authorizing a senior property tax freeze. During the second special session in September 2025, four identical HJR's were introduced to revamp the property tax structure, which would cost local governments an estimated \$1.9 billion. Without a guaranteed source of replacement income, this unfunded mandate will force local political subdivisions to reduce vital services such as police, fire, street maintenance and parks.

The Leagues supports simplifying and expanding the sales tax base. Current statutes limit municipal sales taxes to specific uses and amounts. For most municipalities in St. Louis County, the maximum sales tax rate is 1.75%, and for those municipalities with fire departments, the maximum rate is 2.25%. In 2022, SB 759 was introduced which would authorize any taxing jurisdiction to impose one or more sales taxes for purposes to be designated by the taxing jurisdiction, provided that the total combined rate of local sales taxes imposed by a municipality not exceed 3.5%; the total combined rate of local sales taxes imposed by a county not exceed 4.5%; and for all other taxing jurisdictions, the total combined rate of sales taxes in any given taxing jurisdiction shall not exceed 3.0%.

<u>Policy</u> – The League strongly supports maintaining current sales taxing authority and encourages the legislature to respect the will of the voters who voted for these taxes to provide vital municipal services. Further, the League supports sensible property tax reform that includes adequate sources of revenue to replace any and all lost revenue.

The League also supports legislation that would simplify the sales tax statutes and allow municipalities the flexibility to designate sales tax use, subject to voter approval.

### Failure to Appear

SB 5 (2015) restricted courts' ability to jail or issue warrants for certain minor municipal traffic violations, including speeding (≤19 mph over the limit), expired plates or temporary tags, rolling through a stop sign, following too closely, and equipment violations.

When SB 5 was enacted, the intent was to curb abusive practices by a small number of courts and prevent excessive fines or jail time for low-level offenses. However, the provision that reclassified certain moving violations as "minor traffic violations" and prohibited courts from issuing warrants for failure to appear has created unintended consequences:

- No Accountability Offenders who simply ignore their tickets face no meaningful consequence. Courts cannot issue a warrant for failure to appear, and without this enforcement tool, violations often go unresolved.
- Erosion of Respect for Local Law The inability to enforce penalties undermines the authority of municipal courts, police departments, and local ordinances.
- Unequal Treatment of Offenses While serious traffic violations still carry consequences, ignoring routine traffic laws (speeding, stop sign violations, improper lane changes, etc.) now carries little deterrent effect. This imbalance sends the wrong message to drivers and erodes compliance.
- Public Safety Concerns Even "minor" traffic violations contribute to dangerous road conditions if left unchecked. Local governments must retain the ability to ensure compliance to protect residents.

<u>Policy</u> – For these reasons, the League urges the Missouri General Assembly to repeal the "minor traffic violation" classification in SB 5 and restore municipal courts' authority to enforce all violations of state law and municipal ordinances, including through the issuance of warrants when necessary, and a mechanism to revisit existing financial caps on municipal ordinance violations established by SB 572 (2016).

#### **Juvenile Justice Reform**

Currently, Missouri juvenile detention centers use a scoring system known as Court Operating Rule 28 to determine if a juvenile should be detained or released with or without conditions. Rule 28 allows broad discretion by juvenile officers and is not assessed consistently throughout the State. For example, St. Louis City and County Juvenile officers only use the points for the most egregious crime allegedly committed by the juvenile as opposed to a total of all points from all crimes allegedly committed by the juvenile upon being detained by law enforcement officers. This results in many juveniles detained by law enforcement for vehicle theft, tampering with a motor vehicle, resisting arrest, and gun violation being released without any record of being detained by police. Thus, a juvenile who allegedly committed the crime faces no consequence for making a bad choice and receives no available services to help prevent future criminal activity. In some cases, police officers are told by detention center officers to take the juvenile home with no notice to their parents or guardians.

<u>Policy</u> – The League supports legislation that would require Court Operating Rule 28 be applied uniformly across the State by assessing all points on the assessment form based on all crimes allegedly committed by the juvenile. This would ensure that the juvenile goes before a judge who will determine the appropriate next steps, including social services and programs to help deter future criminal activity and proper notification of their activity is given to their legal guardians.

## **Maintaining Current Municipal Election Laws**

Legislation has been proposed for the last several years to revise municipal elections by, among other things, changing the date to November and requiring partisan elections. Municipal residents have been well-served by keeping local issues and elections local and not having issues and candidates caught up in county, state, and federal elections.

**Policy** – The League supports maintaining the current local election dates and non-partisanship of candidates.

## Right-of-Way

The right-of-way is a valuable piece of property maintained by local governments for the purpose of installing important facilities such as roads, sidewalks, sewers, and utilities. Access to the right-of-way is a privilege, not a right, as private demands for space within the public rights-of-way increases due to expansion of broadband, internet, cable TV and other telecommunications technology, protection of taxpayers' investment in public rights-of-way is essential.

<u>Policy</u> - The League opposes any new federal and state legislation or regulations that would diminish the ability of local governments to manage the public rights-of-way or to charge a fee or taxes to telecommunications and video service providers that use the public rights-of-way to deliver their product or service. All video service and telecommunications providers must comply with all local right-of-way regulations and consumer protection provisions.

The League supports the authorization of local governments to impose reasonable fees for any use of the public rights-of-way and opposes any legislation that limits municipalities' authorities to manage the right-of-way for the public interest and/or transfer the cost of regulation of utilities from private industry to public entities.

## **Video Lottery Game Terminals**

Currently, video lottery games are operating throughout the state unregulated and without any oversight. This leads to a lack of consumer protection, loss of state revenue, facilitates illegal activity, and increases problem gambling and potential fraud. A recent court decision, which found Torch Electronics had in fact mislead officials on how their games operated and had engaged in unfair competition, may lead to enforcement legislation this session.

<u>Policy</u> – The League supports legislation that would regulate video lottery terminals. The legislation should authorize the State Lottery Commission to implement rules and regulations related to video lottery game terminals and to issue licenses to video lottery game manufacturers, distributors, operators, handlers, and retailers. Regulation should include a fee and tax structure, age restriction, location of terminals, number of terminals per location, and penalties for noncompliance; similar to SB 824 (2024).

The League also supports legislation providing municipalities with the ability to ban or limit the number of video lottery game terminals operating within city limits

## **2026 LEGISLATIVE POLICY STATEMENTS**

#### LOCAL CONTROL

**Background** - The issue of local control is discussed at all levels of government. Trying to solve a problem in one community creating statewide legislation can have unforeseen negative impacts on other communities when a fair, public/private solution is possible. In addition, businesses often try to sidestep local regulations by seeking legislative pre-emption of municipal oversight. This is questionable public policy and should be avoided because special interests can conflict with public interests.

Previous legislative discussions focused on an amendment to change the governmental structure of St. Louis City and County. The proposals completely usurp the idea of local control by requiring a statewide vote on issues of no interest to residents outside of these jurisdictions.

Another issue related to local control involves HB 1662 (2022), which provides that a political subdivision shall not prohibit the operation of a no-impact, home-based business or require a person to apply for any permit or license to operate such a business. Furthermore, zoning ordinances or regulations may not explicitly restrict or prohibit a home occupation. This sets a dangerous precedent that may lead to a growing number of home-based businesses that could negatively impact the quality of life in residential areas.

<u>Policy</u> - The League, in its effort to support citizen-driven decisions, supports clearly defined roles and responsibilities for local governments so that municipal officials can effectively and efficiently serve their communities while being held to certain standards of quality and responsiveness. The League strongly recommends that the General Assembly avoid enacting legislation to address localized issues that will impact communities statewide. Legislative proposals, especially budgetary issues, should be reviewed for their overall impact on municipalities before being considered.

The League also supports local autonomy and opposes legislation authorizing statewide votes on local issues pertaining to specific political subdivisions.

The League further supports legislation to allow municipalities to license, tax and regulate home-based businesses and to enact any such land use regulations that would preserve the residential character of neighborhoods that may be threatened by a proliferation of home-based businesses. In addition, the law should be amended to include a definition for those employees simply working from home as opposed to operating a home-based business.

#### REGIONAL COLLABORATION FOR ECONOMIC DEVELOPMENT

<u>Background</u> – Several years ago, the City of St. Louis studied the issue of privatizing St. Louis Lambert International Airport. The airport is a regional asset that benefits the entire metropolitan area as a major component in areawide economic development efforts. Assets that promote economic growth, such as airports and river ports should not be sold to private entities without a regional option to purchase the entity.

<u>Policy</u> - The League supports a collaborative approach for local review and the opportunity to develop a plan to purchase regional economic development assets through a right of first refusal and full compensation to the government entity relinquishing control.

#### LAND USE/PLANNING & ZONING

**Background** - Land use decisions can play a major role in preserving the investment of property owners and ensuring that commerce prospers. Whether planning a new local building or transportation corridor or changing the zoning designation, local officials must balance the interests of many parties. In addition, officials in municipalities have the responsibility to ensure that local planning and zoning laws are implemented fairly and protect the interests of residents, businesses and other important institutions that make up the fabric of society.

Challenges to municipal planning and zoning ordinances, comprehensive plans and architectural review board guidelines by special interests and businesses continues to be a challenge that threatens property values, safety, and community stability.

Another issue concerns absentee property owners who may neglect their properties to the detriment of their neighbors. Initially, such neglect may start with minor issues such as tall grass or trash in the yard. However, over time these issues may escalate to the point of which the property is unsafe for residents and a haven for squatters or other illegal activity. Such nuisance properties create eyesores for neighbors and may lower property values. Absentee owners may reside out-of-state and, in some cases, may have little interest in maintaining the properties. Municipalities need to have the means to contact the owners of these properties.

In addition, cities may have added staff costs for the implementation of such a program and some charter cities have enacted annual landlord fees to recover some of the costs.

<u>Policy</u> - The Legislature should support local efforts to maintain viable and sustainable communities and allow cities the necessary latitude to set guidelines for land uses that promote responsible development, balances the desires of citizens, preserves property values, and protects the rights of property owners.

The general framework for planning and zoning responsibility has been established in Chapter 89 RSMo. Cities are expected to abide by these provisions. Cities should have the necessary latitude and support to set and enforce guidelines for desirable land uses and limitations for those uses deemed to be incompatible or that would have a negative impact on others. Prudent balance is the goal.

The League supports legislation that would provide municipalities with the authority to require owners of rental property to provide contact information for responding to questions or concerns about the property. This contact information, at a minimum, must include the name, address, telephone number and emergency contact information for the owner of the property. Properties that are owned by individuals or entities that do not reside at that location should be required to have a local contact for the property.

Additionally, all cities should be granted legislative authority to enact minimal fees for landlords to help defray the costs of a landlord registration program or other issues related to rental properties.

#### **QUALITY OF LIFE ISSUES**

**Background** - In Missouri, and in St. Louis County, municipal park and recreation programs have received tremendous support from citizens. Park amenities and programs are critical to neighborhood vitality and positive health outcomes. Our recreational and cultural amenities are heavily used, available in all areas, and up-to-date because of overwhelming citizen support. We believe these amenities contribute to the vibrancy of the region and make St. Louis an attractive place to live and raise a family.

**Policy** - The League encourages all levels of government to continue the collaborative efforts that have resulted in premier parks, trails, cultural institutions, and a greater sense of community pride.

#### FINANCE AND TAXATION

**Background** - Technology and the economy are changing rapidly. Cell phones are replacing landlines. More goods are purchased on the internet. Services may be purchased more often than goods in our growing service- oriented society. People may work from home and not in commercial centers. These and other changes impact municipal revenues. As society changes, tax policy must also change to be fair, certain, and enjoy citizen support. Principles focusing on an equitable tax burden should apply across the County, region and State. This allows citizens and the officials they elect to produce the underlying support for services demanded and expected by residents and businesses.

<u>Policy</u> - The League supports financial and tax policies that allow greater flexibility for local governments to adapt to technological and economic changes that impact funding for core services. A new far-reaching tax policy discussion is needed with input from officials at all levels of government to design a system that moves Missouri into the 21st century. Isolated changes, especially exemptions with vague benefits, should be avoided. The League offers its assistance in this effort with the goal of creating a tax policy that is equitable to all while allowing local governments the needed revenue to maintain quality service levels. Objective analysis should govern efforts to offer state tax incentives and exemptions which should avoid financial harm to local governments.

# GENERAL ADMINISTRATION (PERSONNEL, PURCHASING, LEGAL)

**Background** - Public administration must translate voters' visions into viable services. For example, personnel must be hired and managed, contracts arranged, streets and public facilities maintained, financial programs managed and monitored, codes written, laws enforced, land managed, parks developed and maintained, and programs offered. Cities are municipal corporations and are highly regulated by state and federal governments. Third- and fourth-class cities and villages can only do what state law permits, while charter cities have more freedom to do what state law does not restrict. The Sunshine Law provides additional options for public oversight of local governments as well as audits, the media, and regular elections.

One aspect of this relates to sovereign immunity. Under current law, the governing body of each political subdivision of the state is allowed to purchase liability insurance for tort claims. A recent court case established that municipalities which are listed as an additional insured on a construction project could be sued along with contractors working on the project if legal action is undertaken. Legislation is needed that would reverse the impacts of this decision and limit the liability of local governments. HB 2690 was introduced in 2022 to define "purchase" as only the direct acquisition by the governing body of a political subdivision of insurance coverage from an insurance company or other business entity and does not include any indirect action by contract or otherwise including, but not limited to, requiring additional coverage or insured status under the insurance policy of another person or entity.

<u>Policy</u> - The League advocates for legislation that encourages local decision-making within a framework that promotes transparency, fairness, high standards and positive sustainable outcomes in public administration. Training is very valuable to assure that best practices are known, especially in smaller cities without professional management and sometimes frequent turnover. The League supports partnering with the legislature to foster best practices at all levels of local government.

The League further supports the provisions of HB 2690 (2022) which would shield local governments from the need to be listed as an additional insured on the policies of other non-government entities.

#### PUBLIC WORKS & INFRASTRUCTURE

**Background** - Governments and citizens throughout Missouri deserve a modern, safe, and well-maintained multi -modal transportation system along with utility services that are efficient, reliable and reasonably priced and can meet changing demographic needs. Over the years each of these systems has been developed and matured. Some components are showing their age while others are subject to mandates that do not adequately balance costs and benefits. Creating sustainable, cost-effective solutions that are equitably funded is a challenge. Many of the transportation projects in the past decades have tended to produce additional suburban sprawl while reducing population and tax base to much of St. Louis County.

<u>Policy</u> - The League supports solutions to solve ongoing public works issues and help maintain quality infrastructure at reasonable costs, including utility rates. Environmental directives from Washington, DC and Jefferson City are often very expensive to implement. The legislature should evaluate how best to meet these standards in a cost-effective manner without placing a large financial burden on residents and businesses.

Submitted by the Legislative Affairs Committee
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