SECOND REGULAR SESSION [TRULY AGREED TO AND FINALLY PASSED] SENATE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1456

AND

HOUSE BILL NO. 824

92ND GENERAL ASSEMBLY

4192S.03T

2004

AN ACT

To repeal section 94.834, RSMo, and to enact in lieu thereof two new sections relating to transient guest taxes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 94.834, RSMo, is repealed and two new sections enacted in lieu 2 thereof, to be known as sections 94.834 and 94.836, to read as follows:

94.834. 1. The governing body of any city of the third classification with more than twelve thousand four hundred but less than twelve thousand five hundred inhabitants, the 2 3 governing body of any city of the fourth classification with more than two thousand three 4 hundred but less than two thousand four hundred inhabitants and located in any county 5 of the fourth classification with more than thirty-two thousand nine hundred but less than thirty-three thousand inhabitants, and the governing body of any city of the fourth 6 7 classification with more than one thousand six hundred but less than one thousand seven hundred inhabitants and located in any county of the fourth classification with more than twenty-three 8 9 thousand seven hundred but less than twenty-three thousand eight hundred inhabitants may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels 10 11 situated in the city or a portion thereof, which shall be not more than five percent per occupied 12 room per night, except that such tax shall not become effective unless the governing body of the 13 city submits to the voters of the city at a state general or primary election a proposal to authorize 14 the governing body of the city to impose a tax pursuant to this section. The tax authorized in this

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15 section shall be in addition to the charge for the sleeping room and all other taxes imposed by

16 law, and the proceeds of such tax shall be used by the city solely for the promotion of tourism.

17 Such tax shall be stated separately from all other charges and taxes.

18 2. The ballot of submission for the tax authorized in this section shall be in substantially19 the following form:

- 24 \Box YES \Box NO
- 25

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax authorized by this section shall not become effective unless and until the question is resubmitted pursuant to this section to the qualified voters of the city and such question is approved by a majority of the qualified voters of the city voting on the question.

33 3. As used in this section, "transient guests" means a person or persons who occupy a 34 room or rooms in a hotel or motel for thirty-one days or less during any calendar quarter.

94.836. 1. The governing body of any city of the fourth classification with more than six hundred but less than seven hundred inhabitants and located in any county of the 2 second classification with more than nineteen thousand seven hundred but less than 3 4 nineteen thousand eight hundred inhabitants or any city of the fourth classification with more than two thousand two hundred but less than two thousand three hundred 5 inhabitants and located in any county of the third classification without a township form 6 7 of government and with more than twenty thousand but less than twenty thousand one hundred inhabitants may impose a tax on the charges for all sleeping rooms paid by the 8 9 transient guests of hotels or motels situated in the city or a portion thereof, which shall be not more than five percent per occupied room per night, except that such tax shall not 10 11 become effective unless the governing body of the city submits to the voters of the city at 12 a state general or primary election a proposal to authorize the governing body of the city 13 to impose a tax under this section. The tax authorized in this section shall be in addition 14 to the charge for the sleeping room and all other taxes imposed by law, and shall be stated 15 separately from all other charges and taxes.

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16 **2.** The ballot of submission for the tax authorized in this section shall be in 17 substantially the following form:

18 Shall (insert the name of the city) impose a tax on the charges 19 for all sleeping rooms paid by the transient guests of hotels and motels situated in 20 (name of city) at a rate of (insert rate of percent) percent for 21 tourism purposes, including infrastructure improvements?

22 \Box YES \Box NO

23

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters of the city and such question is approved by a majority of the qualified voters of the city voting on the question.

31 3. At least sixty-five percent of the revenue generated by the tax authorized in this 32 section shall be used by the city solely for tourism purposes, and not more than thirty-five 33 percent of the revenue generated may be used for infrastructure improvements. All 34 revenue generated by the tax shall be deposited in a special trust fund and shall be used 35 solely for the designated purposes. If the tax is repealed, all funds remaining in the special 36 trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures may be invested by the 37 38 governing body in accordance with applicable laws relating to the investment of other city 39 funds.

40 4. The governing body of any city that has adopted the sales tax authorized in this
41 section may submit the question of repeal of the tax to the voters on any date available for
42 elections for the city. The ballot of submission shall be in substantially the following form:
43 Shall (insert the name of the city) repeal the sales tax
44 imposed at a rate of (insert rate of percent) percent for tourism purposes?
45 □ YES □ NO

46

47 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall 48 become effective on December thirty-first of the calendar year in which such repeal was 49 approved. If a majority of the votes cast on the question by the qualified voters voting 50 thereon are opposed to the repeal, then the sales tax authorized in this section shall remain

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51 effective until the question is resubmitted under this section to the qualified voters of the

52 city, and the repeal is approved by a majority of the qualified voters voting on the question. 53 5. Whenever the governing body of any city that has adopted the sales tax 54 authorized in this section receives a petition, signed by ten percent of the registered voters 55 of the city voting in the last gubernatorial election, calling for an election to repeal the sales 56 tax imposed under this section, the governing body shall submit to the voters of the city a 57 proposal to repeal the tax. If a majority of the votes cast on the question by the qualified 58 voters voting thereon are in favor of the repeal, that repeal shall become effective on 59 December thirty-first of the calendar year in which such repeal was approved. If a 60 majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted 61 62 under this section to the qualified voters of the city and the repeal is approved by a 63 majority of the qualified voters voting on the question.

64 **6.** As used in this section, "transient guests" means a person or persons who occupy 65 a room or rooms in a hotel or motel for thirty-one days or less during any calendar 66 quarter.