

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 1391**  
**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Local Government April 28, 2004, with recommendation that the House Committee Substitute for Senate Bill No. 1391 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

4789L.04C

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**AN ACT**

To amend chapter 94, RSMo, by adding thereto two new sections relating to local taxes.

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

Section A. Chapter 94, RSMo, is amended by adding thereto two new sections, to be  
2 known as sections 94.836 and 94.838, to read as follows:

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

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

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

25                               ☐ **YES**                               ☐ **NO**

26  
27 **If a majority of the votes cast on the question by the qualified voters voting thereon are in**  
28 **favor of the question, then the tax shall become effective on the first day of the second**  
29 **calendar quarter following the calendar quarter in which the election was held. If a**  
30 **majority of the votes cast on the question by the qualified voters voting thereon are**  
31 **opposed to the question, then the tax shall not become effective unless and until the**  
32 **question is resubmitted under this section to the qualified voters of the city and such**  
33 **question is approved by a majority of the qualified voters of the city voting on the question.**

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

43           **4. The governing body of any city that has adopted the sales tax authorized in this**  
44 **section may submit the question of repeal of the tax to the voters on any date available for**  
45 **elections for the city. The ballot of submission shall be in substantially the following form:**

46           **Shall ..... (insert the name of the city) repeal the sales tax imposed at a rate of ..... (insert rate of percent) percent for tourism purposes?**

47                               ☐ **YES**                               ☐ **NO**

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

54 effective until the question is resubmitted under this section to the qualified voters of the  
55 city, and the repeal is approved by a majority of the qualified voters voting on the question.

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

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

**94.838. 1. As used in this section, the following terms mean:**

2       **(1) "Food", all articles commonly used for food or drink, including alcoholic**  
3 **beverages, the provisions of chapter 311, RSMo, notwithstanding;**

4       **(2) "Food establishment", any cafe, cafeteria, lunchroom, or restaurant which sells**  
5 **food at retail;**

6       **(3) "Municipality", any village with more than two hundred but less than three**  
7 **hundred inhabitants and located in any county of the third classification with a township**  
8 **form of government and with more than twelve thousand five hundred but less than twelve**  
9 **thousand six hundred inhabitants;**

10       **(4) "Transient guest", a person or persons who occupy a room or rooms in a hotel**  
11 **or motel for thirty-one days or less during any calendar quarter.**

12       **2. The governing body of any municipality may impose, by order or ordinance:**

13       **(1) A tax, not to exceed six percent per room per night, on the charges for all**  
14 **sleeping rooms paid by the transient guests of hotels or motels situated in the municipality**  
15 **or a portion thereof; and**

16       **(2) A tax, not to exceed one percent, on the gross receipts derived from the retail**  
17 **sales of food by every person operating a food establishment in the municipality.**

18

19 **The taxes shall be imposed solely for the purpose of funding the construction, maintenance,**  
20 **and operation of capital improvements. The order or ordinance shall not become effective**

21 unless the governing body of the municipality submits to the voters of the municipality at  
22 a state general or primary election a proposal to authorize the governing body of the  
23 municipality to impose taxes under this section. The taxes authorized in this section shall  
24 be in addition to the charge for the sleeping room, the retail sales of food at a food  
25 establishment, and all other taxes imposed by law, and shall be stated separately from all  
26 other charges and taxes.

27 3. The ballot of submission for the taxes authorized in this section shall be in  
28 substantially the following form:

29 Shall ..... (insert the name of the municipality) impose a tax on the charges for all  
30 retail sales of food at a food establishment situated in ..... (name of municipality) at a rate  
31 of ..... (insert rate of percent) percent, and for all sleeping rooms paid by the transient  
32 guests of hotels and motels situated in ..... (name of municipality) at a rate of ..... (insert  
33 rate of percent) percent, solely for the purpose of funding the construction, maintenance,  
34 and operation of capital improvements?

35 ☐ YES

☐ NO

36

37 If a majority of the votes cast on the question by the qualified voters voting thereon are in  
38 favor of the question, then the taxes shall become effective on the first day of the second  
39 calendar quarter after the director of revenue receives notice of the adoption of the taxes.  
40 If a majority of the votes cast on the question by the qualified voters voting thereon are  
41 opposed to the question, then the taxes shall not become effective unless and until the  
42 question is resubmitted under this section to the qualified voters and such question is  
43 approved by a majority of the qualified voters voting on the question.

44 4. Any tax imposed under this section shall be administered, collected, enforced,  
45 and operated as required in section 32.087, RSMo. All revenue generated by the tax shall  
46 be deposited in a special trust fund and shall be used solely for the designated purposes.  
47 If the tax is repealed, all funds remaining in the special trust fund shall continue to be used  
48 solely for the designated purposes. Any funds in the special trust fund which are not  
49 needed for current expenditures may be invested in the same manner as other funds are  
50 invested. Any interest and moneys earned on such investments shall be credited to the  
51 fund.

52 5. The governing body of any municipality that has adopted the taxes authorized  
53 in this section may submit the question of repeal of the taxes to the voters on any date  
54 available for elections for the municipality. The ballot of submission shall be in  
55 substantially the following form:

56           **Shall ..... (insert the name of the municipality) repeal the taxes imposed at the rates**  
57 **of ..... (insert rate of percent) and ..... (insert rate of percent) percent for the purpose of**  
58 **funding the construction, maintenance, and operation of capital improvements?**

59                           ☐ **YES**

☐ **NO**

60

61 **If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall**  
62 **become effective on December thirty-first of the calendar year in which such repeal was**  
63 **approved. If a majority of the votes cast on the question by the qualified voters voting**  
64 **thereon are opposed to the repeal, then the tax authorized in this section shall remain**  
65 **effective until the question is resubmitted under this section to the qualified voters, and the**  
66 **repeal is approved by a majority of the qualified voters voting on the question.**

67           **6. Whenever the governing body of any municipality that has adopted the taxes**  
68 **authorized in this section receives a petition, signed by ten percent of the registered voters**  
69 **of the municipality voting in the last gubernatorial election, calling for an election to repeal**  
70 **the taxes imposed under this section, the governing body shall submit to the voters of the**  
71 **municipality a proposal to repeal the taxes. If a majority of the votes cast on the question**  
72 **by the qualified voters voting thereon are in favor of the repeal, that repeal shall become**  
73 **effective on December thirty-first of the calendar year in which such repeal was approved.**  
74 **If a majority of the votes cast on the question by the qualified voters voting thereon are**  
75 **opposed to the repeal, then the tax shall remain effective until the question is resubmitted**  
76 **under this section to the qualified voters and the repeal is approved by a majority of the**  
77 **qualified voters voting on the question.**