

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 186**  
**93RD GENERAL ASSEMBLY**

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Reported from the Committee on Ways and Means March 1, 2005 with recommendation that House Committee Substitute for House Bill No. 186 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

0848L.02C

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**AN ACT**

To amend chapter 94, RSMo, by adding thereto one new section relating to local taxes, with an emergency clause.

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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 one new section, to be known as section 94.838, to read as follows:

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

(1) "Food", all articles commonly used for food or drink as provided in section 144.020, RSMo, including alcoholic beverages, the provisions of chapter 311, RSMo, notwithstanding;

(2) "Food establishment", any café, cafeteria, lunchroom, restaurant or other place in which meals or drinks are regularly served to the public;

(3) "Municipality", any fourth class city with more than two hundred but less than three hundred inhabitants and located in any county of the third classification with a township form of government and with more than twelve thousand five hundred but less than twelve thousand six hundred inhabitants;

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

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

(1) A tax, not to exceed six percent per room per night, on the charges for all sleeping rooms paid by the transient guests of hotels or motels situated in the municipality

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.

16 or a portion thereof; and

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

19

20 The taxes shall be imposed solely for the purpose of funding the construction, maintenance,  
21 and operation of capital improvements. The order or ordinance shall not become effective  
22 unless the governing body of the municipality submits to the voters of the municipality at  
23 a state general or primary election a proposal to authorize the governing body of the  
24 municipality to impose taxes under this section. The taxes authorized in this section shall  
25 be in addition to the charge for the sleeping room, the retail sales of food at a food  
26 establishment, and all other taxes imposed by law, and shall be stated separately from all  
27 other charges and taxes.

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

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

36  YES  NO

37

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

45 4. Any tax on the retail sales of food imposed under this section shall be  
46 administered, collected, enforced, and operated as required in section 32.087, RSMo, and  
47 any transient guest tax imposed under this section shall be administered, collected,  
48 enforced, and operated by the municipality imposing the tax. All revenue generated by the  
49 tax shall be deposited in a special trust fund and shall be used solely for the designated  
50 purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue  
51 to be used solely for the designated purposes. Any funds in the special trust fund which

52 are not needed for current expenditures may be invested in the same manner as other  
53 funds are invested. Any interest and moneys earned on such investments shall be credited  
54 to the fund.

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

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

62  **YES**  **NO**

63

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

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

Section B. Because immediate action is necessary to provide funding for necessary  
2 infrastructure, section A of this act is deemed necessary for the immediate preservation of the  
3 public health, welfare, peace, and safety, and is hereby declared to be an emergency act within  
4 the meaning of the constitution, and section A of this act shall be in full force and effect upon  
5 its passage and approval.