

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 515
93RD GENERAL ASSEMBLY

Reported from the Committee on Tourism March 8, 2005 with recommendation that House Committee Substitute for House Bill No. 515 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

1536L.02C

AN ACT

To repeal sections 67.1956, 67.1959, 67.1968, and 67.1979, RSMo, and to enact in lieu thereof four new sections relating to tourism community enhancement districts.

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

Section A. Sections 67.1956, 67.1959, 67.1968, and 67.1979, RSMo, are repealed and
2 four new sections enacted in lieu thereof, to be known as sections 67.1956, 67.1959, 67.1968,
3 and 67.1979, to read as follows:

67.1956. 1. In each tourism community enhancement district established pursuant to
2 section 67.1953, there shall be a board of directors, to [initially] consist of [not less than five]
3 **seven** members. [One member] **Three members** shall be selected by the governing body of the
4 city, town or village, [with the largest population, at the inception of the district, within the
5 district. One member] **located within the district that collected the largest amount of retail**
6 **sales tax within the district in the year preceding the establishment of the district. Two**
7 **members** shall be selected by the governing body of the city, town or village, [with the second
8 largest population, at the inception of the district, within the district] **located within the district,**
9 **that collected the second largest amount of retail sales tax within the district in the year**
10 **preceding the establishment of the district,** if such a city, town or village exists in the district.
11 If no such city, town or village exists in the district then [one member] **two additional members**
12 shall be selected by the [board of directors of the district from the unincorporated area of such
13 district. Two members] **governing body of the city, town, or village located within the**

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.

14 **district that collected the largest amount of retail sales tax within the district in the year**
15 **preceding the establishment of the district. One member** shall be selected by the [largest
16 convention and visitor's bureau or similar organization, at the inception of the district, within the
17 district] **governing body of the county located within the district that collected the largest**
18 **amount of retail sales tax within the district in the year preceding the establishment of the**
19 **district.** One member shall be selected by the [destination marketing organization of the second
20 largest county, city, town or village, at the inception of the district, within the district] **governing**
21 **body of the county located within the district that collected the second largest amount of**
22 **retail sales tax within the district in the year preceding the establishment of the district.**

23 **2.** Of the members first selected, the [two] **three** members from the city, town or village
24 **located within the district that collected the largest amount of retail sales tax within the**
25 **district in the year preceding the establishment of the district** shall be selected for a term of
26 three years, the two members [from the convention and visitor's bureau] **from the city, town or**
27 **village located within the district that collected the second largest amount of retail sales tax**
28 **within the district in the year preceding the establishment of the district** shall be selected
29 for a term of two years, and the [member from the destination marketing organization of the
30 second largest city] **remaining members** shall be selected for a term of one year. Thereafter,
31 each member selected shall serve a three-year term. Every member shall be **either** a resident of
32 the district, **own real property within the district, be employed by a business within the**
33 **district, or operate a business within the district.** All members shall serve without
34 compensation. [Any vacancy within the board shall be filled in the same manner as the person
35 who vacated the position was selected, with the new person serving the remainder of the term
36 of the person who vacated the position.] The board shall elect its own treasurer, secretary and
37 such other officers as it deems necessary and expedient, and it may make such rules, regulations,
38 and bylaws to carry out its duties pursuant to sections 67.1950 to 67.1977.

39 [2. Any time a district is expanded by either an unincorporated or incorporated area, the
40 board shall be expanded by two members. One member shall be appointed by the governing
41 body of the incorporated area added to the district or by the board of directors of the district for
42 the unincorporated area added to the district and one member shall be appointed by the governing
43 body of the city, town or village with the largest population at the inception of the district for the
44 first expansion and every odd-numbered expansion thereafter, or by the convention and visitor's
45 bureau or similar entity of the largest city, town or village, at the inception of the district, for the
46 second expansion and every even-numbered expansion thereafter.]

47 **3.** Any vacancy within the board shall be filled in the same manner as the person
48 **who vacated the position was selected within sixty days of the vacancy occurring, with the**
49 **new person serving the remainder of the term of the person who vacated the position. In**

50 the event that a person is not so selected within sixty days of the vacancy occurring, the
51 remaining members of the board shall select a person to serve the remainder of the term
52 of the person who vacated the position.

53 4. If a tourism community enhancement district is already in existence on the
54 effective date of this section, the one additional board member shall be appointed by the
55 governing body of the city, town, or village located within the district that collected the
56 largest amount of retail sales tax within the district in the year preceding the establishment
57 of the district for a one-year term and the other additional board member shall be
58 appointed by the governing body of the county located within the district that collected the
59 second largest amount of retail sales tax within the district in the year preceding the
60 establishment of the district for a two-year term, thereafter all board members shall serve
61 three-year terms. The existing board members shall serve out their terms with the
62 provisions of this section controlling the appointment of successor board members, with
63 first and second board existing positions to expire to be appointed by the governing body
64 of the city, town or village located within the district that collected the largest amount of
65 retail sales tax within the district in the year preceding the establishment of the district, the
66 third and fourth existing board positions to expire to be appointed by the governing body
67 of the city, town or village located within the district that collected the second largest
68 amount of retail sales tax within the district in the year preceding the establishment of the
69 district and the fifth existing board position to expire to be appointed by the governing
70 body of the county located within the district that collected the largest amount of retail
71 sales tax within the district in the year preceding the establishment of the district.

72 [3.] 5. The board, on behalf of the district, may:

73 (1) Cooperate with public agencies and with any industry or business [located within the
74 district] in the implementation of any project;

75 (2) Enter into any agreement with any public agency, person, firm, or corporation to
76 implement any of the provisions of sections 67.1950 to 67.1977;

77 (3) Contract and be contracted with, and sue and be sued; and

78 (4) Accept gifts, grants, loans, or contributions from the United States of America, the
79 state, any political subdivision, foundation, other public or private agency, individual, partnership
80 or corporation on behalf of the tourism enhancement district community.

67.1959. 1. The board, by a majority vote, may submit to the residents of such district
2 a tax of not more than one percent on all retail sales, except **sales of food as defined in section**
3 **144.014, RSMo**, sales of new or used motor vehicles, trailers, boats, or other outboard motors,
4 **all utilities, telephone services**, and sales of funeral services, made within the district which are
5 subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo. Upon the

6 written request of the board to the election authority of the county in which a majority of the area
7 of the district is situated, such election authority shall submit a proposition to the residents of
8 such district at a municipal or statewide primary or general election, or at a special election called
9 for that purpose. Such election authority shall give legal notice as provided in chapter 115,
10 RSMo.

11 2. Such proposition shall be submitted to the voters of the district in substantially the
12 following form at such election:

13 Shall the Tourism Community Enhancement District impose a sales tax of
14 (insert amount) for the purpose of promoting tourism [and community enhancements in the
15 (name of county, city, town or village that includes a majority of the area within the proposed
16 district) Tourism Community Enhancement District] **in the district?**

17 Yes No

18

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

21

22 If a majority of the votes cast on the proposal by the qualified voters of the proposed district
23 voting thereon are in favor of the proposal, then the order shall become effective on the first day
24 of the second calendar quarter after the director of revenue receives notice of adoption of the tax.
25 If the proposal receives less than the required majority, then the board shall have no power to
26 impose the sales tax authorized pursuant to this section unless and until the board shall again
27 have submitted another proposal to authorize the board to impose the sales tax authorized by this
28 section and such proposal is approved by the required majority of the qualified voters of the
29 district.

67.1968. Expenditures may be made from the tourism community enhancement district
2 sales tax trust fund or moneys collected pursuant to section 67.1965 for any purposes authorized
3 pursuant to subsection 1 of section 67.1959, provided as follows:

4 (1) [Ten percent of the revenues shall be used for education purposes. The board shall
5 transmit those revenues to the school district or districts within the district, on a basis of revenue
6 collected within each school district. These revenues shall not be used in any manner with
7 respect to the calculation of the state school aid pursuant to chapter 163, RSMo;

8 (2) Ten percent of the revenues collected from the tax authorized by this section shall
9 be used by the board for senior citizen or youth or community enhancement purposes within the
10 district. The board shall distribute these revenues to the cities, towns and villages based upon
11 the amount of sales tax collected within each city, town or village and the portion of the revenues
12 not attributable to any city, town or village shall be distributed at the discretion of the board;

13 (3) Seventy-five percent of the revenues shall be used by the board for marketing,
14 advertising and promotion of tourism. The district shall enter into an agreement with a
15 not-for-profit organization providing local support services, including but not limited to visitor's
16 centers, to conduct and administer public relations, sales and marketing of tourism on behalf of
17 the district to enhance the economic health of the district. Such marketing, advertising and
18 promotional activities shall be developed into a comprehensive marketing plan, for the benefit
19 of the district;

20 (4) Two percent of the revenues shall be distributed among each destination marketing
21 organization located within each school district or districts within the district based upon the
22 amount of sales tax collected within each school district;

23 (5) Two percent of the revenues shall be transmitted to the not-for-profit organization
24 conducting and administering the marketing plan within the district for purposes of administering
25 the marketing plan.] **One percent of the revenues collected from the tax authorized by this
26 section may be held in reserve and used by the board for the reimbursement of or for
27 lawful and reasonable administrative expenses involved with the board's fulfillment of
28 their statutory duties including, but not limited to, insurance, election costs, legal,
29 accounting, and audit fees, administrative services and travel. If such reasonable expenses,
30 plus a reasonable reserve, exceed the revenues provided in this subdivision, then the
31 additional revenues necessary for such reasonable expenses shall come from the revenues
32 provided in subdivision (2) of this section. If such reasonable expenses, plus a reasonable
33 reserve, do not exceed the revenues provided in this subdivision, the board may use the
34 excess funds in the same manner as the revenues provided in subdivision (2) of this section;**

35 (2) **Ninety-eight percent of the revenues collected from the tax authorized by this
36 section shall be used by the board for marketing, advertising, and promotion of tourism,
37 the administration thereof, and a reasonable reserve. The district shall enter into an
38 agreement with an organization or organizations to conduct and administer functions such
39 as public relations, sales, and marketing of tourism on behalf of the district to enhance the
40 economic health of the district. Such marketing, advertising, and promotional activities
41 shall be developed into a comprehensive marketing plan, for the benefit of the district. Up
42 to two percent of the revenues in this subdivision, at the sole discretion of the board, may
43 be distributed among each destination marketing organization, located within each school
44 district or districts within the district based upon the amount of sales tax collected within
45 each school district, for marketing based upon a marketing plan which shall be submitted
46 each year by the destination marketing organizations located within the district, if such
47 marketing plan is approved by the board.**

48 **(3) One percent of the revenues collected from the tax authorized by this section**
49 **may be retained by the Missouri department of revenue or any other entity responsible for**
50 **the collection of the sales tax.**

 67.1979. Members of the board of directors may be removed by [two-thirds] **a majority**
2 vote of the appointing governing body.