

FIRST REGULAR SESSION

# HOUSE BILL NO. 306

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE DEMPSEY .

Read 1<sup>st</sup> time January 25, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1068L.011

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### AN ACT

To repeal sections 144.805, 144.807, and 305.230, RSMo, and to enact in lieu thereof three new sections relating to aviation, with an expiration date for certain sections.

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

Section A. Sections 144.805, 144.807, and 305.230, RSMo, are repealed and three new  
2 sections enacted in lieu thereof, to be known as sections 144.805, 144.807, and 305.230, to read  
3 as follows:

144.805. 1. In addition to the exemptions granted pursuant to the provisions of section  
2 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to  
3 144.525, sections 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any  
4 local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax  
5 levied, assessed or payable pursuant to sections 144.010 to 144.525, sections 144.600 to 144.748,  
6 and section 238.235, RSMo, and the provisions of any local sales tax law, as defined in section  
7 32.085, RSMo, all sales of aviation jet fuel in a given calendar year to common carriers engaged  
8 in the interstate air transportation of passengers and cargo, and the storage, use and consumption  
9 of such aviation jet fuel by such common carriers, if such common carrier has first paid to the  
10 state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes  
11 pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption  
12 of such aviation jet fuel in a maximum and aggregate amount of one million five hundred  
13 thousand dollars of state sales and use taxes in such calendar year.

14 2. To qualify for the exemption prescribed in subsection 1 of this section, the common  
15 carrier shall furnish to the seller a certificate in writing to the effect that an exemption pursuant

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 to this section is applicable to the aviation jet fuel so purchased, stored, used and consumed. The  
17 director of revenue shall permit any such common carrier to enter into a direct-pay agreement  
18 with the department of revenue, pursuant to which such common carrier may pay directly to the  
19 department of revenue any applicable sales and use taxes on such aviation jet fuel up to the  
20 maximum aggregate amount of one million five hundred thousand dollars in each calendar year.  
21 The director of revenue shall adopt appropriate rules and regulations to implement the provisions  
22 of this section, and to permit appropriate claims for refunds of any excess sales and use taxes  
23 collected in calendar year 1993 or any subsequent year with respect to any such common carrier  
24 and aviation jet fuel.

25 3. The provisions of this section shall apply to all purchases and deliveries of aviation  
26 jet fuel from and after May 10, 1993.

27 4. All sales and use tax revenues upon aviation jet fuel received pursuant to this chapter,  
28 less the amounts specifically designated pursuant to the constitution or pursuant to section  
29 144.701, for other purposes, shall be deposited to the credit of the aviation trust fund established  
30 pursuant to section 305.230, RSMo; provided however, the amount of such state sales and use  
31 tax revenues deposited to the credit of such aviation trust fund shall not exceed six million  
32 dollars in each calendar year.

33 5. The provisions of this section and section 144.807 shall expire on December 31,  
34 [2008] **2010**.

144.807. 1. In addition to the exemptions granted under the provisions of section  
2 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to  
3 144.525, 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any local sales  
4 tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied,  
5 assessed or payable under sections 144.010 to 144.525, 144.600 to 144.748, and section 238.235,  
6 RSMo, and the provisions of any local sales tax law, as defined in section 32.085, RSMo, the  
7 purchase or storage by any common carrier engaged in the interstate air transportation of persons  
8 and cargo of tangible personal property, other than catered food and beverage products purchased  
9 for in-flight consumption and aviation jet fuel, within the state of Missouri, which tangible  
10 personal property is purchased or stored in the state of Missouri and is subsequently transported  
11 out of state by the common carrier and is used by the common carrier in the conduct of its  
12 business as a common carrier.

13 2. Any use of the tangible personal property by the common carrier, other than that  
14 incident to the delivery of the property to the carrier, the storage of the property by the carrier  
15 pending out-of-state transportation of the property by the carrier and the out-of-state  
16 transportation of the property by the carrier and subsequent use in the conduct of its business as  
17 a common carrier, shall subject the common carrier to liability for payment of sales and use tax,

18 as applicable, with respect to such property so used by the common carrier in the state of  
19 Missouri, as if this exemption did not apply.

20 3. To qualify for the exemption under this section, the common carrier shall file an  
21 election with the department of revenue whereby the common carrier will agree to pay the state  
22 three hundred thousand dollars annually in equal monthly payments, on or before the fifteenth day  
23 of each such month, for the privilege of this election, and shall further agree that it will maintain  
24 records documenting the use and transportation of the tangible personal property outside the state  
25 of Missouri, as required under this section. Once a common carrier makes this election, it may  
26 furnish its vendors a certificate in writing that it is a common carrier qualifying for exemption  
27 under this section and can purchase tangible personal property free of sales and use taxes. To the  
28 extent the purchased property is used for its intended purpose in the state of Missouri, the carrier  
29 shall remit the appropriate tax directly to the department of revenue.

30 **4. The provisions of this section shall expire on December 31, 2010.**

305.230. 1. The state highways and transportation commission shall administer an  
2 aeronautics program within this state. The **state highways and transportation** commission shall  
3 encourage, foster and participate with the political subdivisions of this state in the promotion and  
4 development of aeronautics. The **state highways and transportation** commission may provide  
5 financial assistance in the form of grants from funds appropriated for such purpose to any political  
6 subdivision or instrumentality of this state acting independently or jointly or to the owner or  
7 owners of any privately owned airport designated as a reliever by the Federal Aviation  
8 Administration for the planning, acquisition, construction, improvement or maintenance of  
9 airports, or for other aeronautical purposes.

10 2. Any political subdivision or instrumentality of this state or the owner or owners of any  
11 privately owned airport designated as a reliever by the Federal Aviation Administration receiving  
12 state funds for the purchase, construction, or improvement, except maintenance, of an airport shall  
13 agree before any funds are paid to it to control by ownership or lease the airport for a period equal  
14 to the useful life of the project as determined by the **state highways and transportation**  
15 commission following the last payment of state or federal funds to it. In the event an airport  
16 authority ceases to exist for any reason, this obligation shall be carried out by the governing body  
17 which created the authority.

18 3. Unless otherwise provided, grants to political subdivisions, instrumentalities or to the  
19 owner or owners of any privately owned airport designated as a reliever by the Federal Aviation  
20 Administration shall be made from the aviation trust fund. In making grants, the **state highways**  
21 **and transportation** commission shall consider whether the local community has given financial  
22 support to the airport in the past. Priority shall be given to airports with local funding for the past  
23 five years with no reduction in such funding. The aviation trust fund is a revolving trust fund

24 exempt from the provisions of section 33.080, RSMo, relating to the transfer of funds to the  
25 general revenue funds of the state by the state treasurer. All interest earned upon the balance in  
26 the aviation trust fund shall be deposited to the credit of the same fund.

27 4. The moneys in the aviation trust fund shall be administered by the **state highways and**  
28 **transportation** commission and, when appropriated, shall be used for the following purposes:

29 (1) As matching funds on an up to ninety percent state/ten percent local basis, except in  
30 the case where federal funds are being matched, when the ratio of state and local funds used to  
31 match the federal funds shall be fifty percent state/fifty percent local:

32 (a) For preventive maintenance of runways, taxiways and aircraft parking areas, and for  
33 emergency repairs of the same;

34 (b) For the acquisition of land for the development and improvement of airports;

35 (c) For the earthwork and drainage necessary for the construction, reconstruction or repair  
36 of runways, taxiways, and aircraft parking areas;

37 (d) For the construction, or restoration of runways, taxiways, or aircraft parking areas;

38 (e) For the acquisition of land or easements necessary to satisfy Federal Aviation  
39 Administration safety requirements;

40 (f) For the identification, marking or removal of natural or manmade obstructions to  
41 airport control zone surfaces and safety areas;

42 (g) For the installation of runway, taxiway, boundary, ramp, or obstruction lights, together  
43 with any work directly related to the electrical equipment;

44 (h) For the erection of fencing on or around the perimeter of an airport;

45 (i) For purchase, installation or repair of air navigational and landing aid facilities and  
46 communication equipment;

47 (j) For engineering related to a project funded under the provisions of this section and  
48 technical studies or consultation related to aeronautics;

49 (k) For airport planning projects including master plans and site selection for development  
50 of new airports, for updating or establishing master plans and airport layout plans at existing  
51 airports;

52 (l) For the purchase, installation, or repair of safety equipment and such other capital  
53 improvements and equipment as may be required for the safe and efficient operation of the  
54 airport;

55 (2) As total funds, with no local match:

56 (a) For providing air markers, windsocks, and other items determined to be in the interest  
57 of the safety of the general flying public;

58 (b) For the printing and distribution of state aeronautical charts and state airport  
59 directories on an annual basis, and a newsletter on a quarterly basis or the publishing and

60 distribution of any public interest information deemed necessary by the **state highways and**  
61 **transportation** commission;

62 (c) For the conducting of aviation safety workshops;

63 (d) For the promotion of aerospace education;

64 (3) As total funds with no local match, up to five hundred thousand dollars per year may  
65 be used for the cost of operating existing air traffic control towers that do not receive funding  
66 from the Federal Aviation Administration or the United States Department of Defense, except no  
67 more than one hundred twenty-five thousand dollars per year may be used for any individual  
68 control tower.

69 5. In the event of a natural or manmade disaster which closes any runway or renders  
70 inoperative any electronic or visual landing aid at an airport, any funds appropriated for the  
71 purpose of capital improvements or maintenance of airports may be made immediately available  
72 for necessary repairs once they are approved by the **state highways and transportation**  
73 commission. For projects designated as emergencies by the **state highways and transportation**  
74 commission, all requirements relating to normal procurement of engineering and construction  
75 services are waived.

76 6. As used in this section, the term "instrumentality of the state" shall mean any state  
77 educational institution as defined in section 176.010, RSMo, or any state agency which owned  
78 or operated an airport on January 1, 1997, and continues to own or operate such airport.