

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

Reported from the Committee on Economic Development, Tourism and Local Government, April 11, 2005, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

1536S.03C

TERRY L. SPIELER, Secretary.

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Section A. Sections 67.1956, 67.1959, 67.1968, and 67.1979, RSMo, are repealed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

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

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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

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

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

53 every even-numbered expansion thereafter.]

54 **3. Any vacancy within the board shall be filled in the same manner as**
55 **the person who vacated the position was selected within sixty days of the**
56 **vacancy occurring, with the new person serving the remainder of the term of**
57 **the person who vacated the position. In the event that a person is not so**
58 **selected within sixty days of the vacancy occurring, the remaining members**
59 **of the board shall select a person to serve the remainder of the term of the**
60 **person who vacated the position.**

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

84 [3.] **5. The board, on behalf of the district, may:**

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

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

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

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

67.1959. 1. The board, by a majority vote, may submit to the residents of such
2 district a tax of not more than one percent on all retail sales, except **sales of food as**
3 **defined in section 144.014, RSMo**, sales of new or used motor vehicles, trailers, boats,
4 or other outboard motors, **all utilities, telephone and wireless services**, and sales
5 of funeral services, made within the district which are subject to taxation pursuant to
6 the provisions of sections 144.010 to 144.525, RSMo. Upon the written request of the
7 board to the election authority of the county in which a majority of the area of the
8 district is situated, such election authority shall submit a proposition to the residents
9 of such district at a municipal or statewide primary or general election, or at a special
10 election called for that purpose. Such election authority shall give legal notice as
11 provided in chapter 115, RSMo.

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

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

19 Yes No

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

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

67.1968. Expenditures may be made from the tourism community enhancement
2 district sales tax trust fund or moneys collected pursuant to section 67.1965 for any
3 purposes authorized 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
5 shall transmit those revenues to the school district or districts within the district, on a
6 basis of revenue collected within each school district. These revenues shall not be used
7 in any manner with respect to the calculation of the state school aid pursuant to chapter
8 163, RSMo;

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

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

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

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

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

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

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

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