

SECOND REGULAR SESSION

HOUSE BILL NO. 2247

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), SILVEY,
KRAUS AND PRATT (Co-sponsors).

Read 1st time February 21, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5004L.01I

AN ACT

To repeal sections 94.577 and 94.605, RSMo, and to enact in lieu thereof two new sections relating to transportation sales taxes.

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

Section A. Sections 94.577 and 94.605, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 94.577 and 94.605, to read as follows:

94.577. 1. The governing body of any municipality except those located in whole or in
2 part within any first class county having a charter form of government and not containing any
3 part of a city with a population of four hundred thousand or more and adjacent to a city not
4 within a county for that part of the municipality located within such first class county is hereby
5 authorized to impose, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half
6 of one percent sales tax on all retail sales made in such municipality which are subject to taxation
7 under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of funding capital
8 improvements, including the operation and maintenance of capital improvements, which may
9 be funded by issuing bonds which will be retired by the revenues received from the sales tax
10 authorized by this section or the retirement of debt under previously authorized bonded
11 indebtedness. A municipality located in a charter county may impose a sales tax on all retail
12 sales for capital improvements as provided in section 94.890. The tax authorized by this section
13 shall be in addition to any and all other sales taxes allowed by law; but no ordinance imposing
14 a sales tax under the provisions of this section shall be effective unless the governing body of 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.

15 municipality submits to the voters of the municipality, at a municipal or state general, primary
16 or special election, a proposal to authorize the governing body of the municipality to impose such
17 tax and, if such tax is to be used to retire bonds authorized under this section, to authorize such
18 bonds and their retirement by such tax, or to authorize the retirement of debt under previously
19 authorized bonded indebtedness.

20 2. The ballot of submission shall contain, but need not be limited to:

21 (1) If the proposal submitted involves only authorization to impose the tax authorized
22 by this section, the following language:

23 Shall the municipality of (municipality's name) impose a sales tax of (insert
24 amount) for the purpose of funding capital improvements which may include the retirement of
25 debt under previously authorized bonded indebtedness?

26 ☐ YES

☐ NO

27

28 If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed
29 to the question, place an "X" in the box opposite "No"; or

30 (2) If the proposal submitted involves authorization to issue bonds and repay such bonds
31 with revenues from the tax authorized by this section, the following language:

32 Shall the municipality of (municipality's name) issue bonds in the amount
33 of (insert amount) to fund capital improvements and impose a sales tax of (insert
34 amount) to repay bonds?

35 ☐ YES

☐ NO

36

37 If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed
38 to the question, place an "X" in box opposite "No". If a majority of the votes cast on the proposal
39 by the qualified voters voting thereon are in favor of the proposal, including when the proposal
40 authorizes the reduction of debt under previously authorized bonded indebtedness under
41 subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall
42 be in effect, except that any proposal submitted under subdivision (2) of this subsection to issue
43 bonds and impose a sales tax to retire such bonds must be approved by the constitutionally
44 required percentage of the voters voting thereon to become effective. If a majority of the votes
45 cast by the qualified voters voting are opposed to the proposal, then the governing body of the
46 municipality shall have no power to issue any bonds or impose the sales tax authorized in this
47 section unless and until the governing body of the municipality shall again have submitted
48 another proposal to authorize the governing body of the municipality to issue any bonds or
49 impose the sales tax authorized by this section, and such proposal is approved by the requisite
50 majority of the qualified voters voting thereon; however, in no event shall a proposal pursuant

51 to this section be submitted to the voters sooner than twelve months from the date of the last
52 proposal pursuant to this section, except that any municipality with a population of greater than
53 four hundred thousand and located within more than one county may submit a proposal pursuant
54 to this section to the voters sooner than twelve months from the date of the last proposal
55 submitted pursuant to this section if submitted to the voters on or before November 6, 2001.

56 3. All revenue received by a municipality from the tax authorized under the provisions
57 of this section shall be deposited in a special trust fund and shall be used solely for capital
58 improvements, including the operation and maintenance of capital improvements, for so long as
59 the tax shall remain in effect. Once the tax authorized by this section is abolished or is
60 terminated by any means, all funds remaining in the special trust fund required by this subsection
61 shall be used solely for the maintenance of the capital improvements made with revenues raised
62 by the tax authorized by this section. Any funds in the special trust fund required by this
63 subsection which are not needed for current expenditures may be invested by the governing body
64 in accordance with applicable laws relating to the investment of other municipal funds. The
65 provisions of this subsection shall apply only to taxes authorized by this section which have not
66 been imposed to retire bonds issued pursuant to this section.

67 4. All revenue received by a municipality which issues bonds under this section and
68 imposes the tax authorized by this section to retire such bonds shall be deposited in a special
69 trust fund and shall be used solely to retire such bonds, except to the extent that such funds are
70 required for the operation and maintenance of capital improvements. Once all of such bonds
71 have been retired, all funds remaining in the special trust fund required by this subsection shall
72 be used solely for the maintenance of the capital improvements made with the revenue received
73 as a result of the issuance of such bonds. Any funds in the special trust fund required by this
74 subsection which are not needed to meet current obligations under the bonds issued under this
75 section may be invested by the governing body in accordance with applicable laws relating to
76 the investment of other municipal funds. The provisions of this subsection shall apply only to
77 taxes authorized by this section which have been imposed to retire bonds issued under this
78 section.

79 5. After the effective date of any tax imposed under the provisions of this section, the
80 director of revenue shall perform all functions incident to the administration, collection,
81 enforcement, and operation of the tax in the same manner as provided in sections 94.500 to
82 [94.570] **94.550**, and the director of revenue shall collect in addition to the sales tax for the state
83 of Missouri the additional tax authorized under the authority of this section. The tax imposed
84 pursuant to this section and the tax imposed under the sales tax law of the state of Missouri shall
85 be collected together and reported upon such forms and under such administrative rules and
86 regulations as may be prescribed by the director of revenue. Except as modified in this section,

87 all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed under this
88 section.

89 6. No tax imposed pursuant to this section for the purpose of retiring bonds issued under
90 this section may be terminated until all of such bonds have been retired.

91 7. In any city not within a county, no tax shall be imposed pursuant to this section for
92 the purpose of funding in whole or in part the construction, operation or maintenance of a sports
93 stadium, field house, indoor or outdoor recreational facility, center, playing field, parking facility
94 or anything incidental or necessary to a complex suitable for any type of professional sport or
95 recreation, either upon, above or below the ground.

96 8. **Any tax imposed under this section in any home rule city with more than four**
97 **hundred thousand inhabitants and located in more than one county solely for public**
98 **transit purposes shall be exempt from the provisions of section 99.845, RSMo, and from**
99 **any other provision of law allocating any portion of such tax for use in any redevelopment**
100 **project or for any other purpose. As used in this subsection, "redevelopment project" shall**
101 **have the definition provided in section 99.805, RSMo.**

102 9. The director of revenue may authorize the state treasurer to make refunds from the
103 amounts in the trust fund and credited to any municipality for erroneous payments and
104 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
105 such municipalities. If any municipality abolishes the tax, the municipality shall notify the
106 director of revenue of the action at least ninety days prior to the effective date of the repeal and
107 the director of revenue may order retention in the trust fund, for a period of one year, of two
108 percent of the amount collected after receipt of such notice to cover possible refunds or
109 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of
110 such accounts. After one year has elapsed after the effective date of abolition of the tax in such
111 municipality, the director of revenue shall remit the balance in the account to the municipality
112 and close the account of that municipality. The director of revenue shall notify each municipality
113 of each instance of any amount refunded or any check redeemed from receipts due the
114 municipality.

94.605. 1. Any city as defined in section 94.600 may by a majority vote of its governing
2 body impose a sales tax for transportation purposes enumerated in sections 94.600 to 94.655.

3 2. The sales tax may be imposed at a rate not to exceed one-half of one percent on the
4 receipts from the sale at retail of all tangible personal property or taxable services at retail within
5 any city adopting such tax, if such property and services are subject to taxation by the state of
6 Missouri under the provisions of sections 144.010 to 144.525, RSMo.

7 3. **After March 31, 2009, in any home rule city with more than four hundred**
8 **thousand inhabitants and located in more than one county, any three-eighths of one cent**

9 sales tax imposed under sections 94.600 to 94.655 shall be exempted for use in any
10 redevelopment project approved by ordinance of such city after April 1, 2009, under
11 section 99.845, RSMo, and from any other provision of law allocating any portion of such
12 tax for use in any redevelopment project or for any other purpose. Any one-eighth of one
13 cent sales tax imposed for constructing and operating a light-rail transit system in such city
14 under sections 94.600 to 94.655 shall be exempt from section 99.845, RSMo, and from any
15 other provision of law allocating any such portion of such tax for use in any redevelopment
16 project or for any other purpose. As used in this subsection, "redevelopment project" shall
17 have the definition provided in section 99.805, RSMo.

18 4. If the boundaries of a city in which such sales tax has been imposed shall thereafter
19 be changed or altered, the city or county clerk shall forward to the director of revenue by United
20 States registered mail or certified mail a certified copy of the ordinance adding or detaching
21 territory from the city. The ordinance shall reflect the effective date thereof, and shall be
22 accompanied by a map of the city clearly showing the territory added thereto or detached
23 therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.600 to 94.655
24 shall be effective in the added territory or abolished in the detached territory on the effective date
25 of the change of the city boundary.

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