

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 1131**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Government Affairs April 10, 2008 with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 1131 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

5023L.07C

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**AN ACT**

To repeal sections 94.577, 94.600, and 94.605, RSMo, and to enact in lieu thereof three new sections relating to transportation sales taxes.

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

Section A. Sections 94.577, 94.600, and 94.605, RSMo, are repealed and three new  
2 sections enacted in lieu thereof, to be known as sections 94.577, 94.600, and 94.605, to read as  
3 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

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.

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  
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 not be considered "economic activity taxes" as such term is defined**  
99 **under sections 99.805 and 99.918, RSMo, and tax revenues derived from such tax shall not**  
100 **be subject to allocation under the provisions of subsection 3 of section 99.845, RSMo, or**  
101 **subsection 4 of section 99.957, 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.

94.600. The following words, as used in sections 94.600 to 94.655, mean:

2 (1) "City", any city not within a county, any city of over four hundred thousand  
3 inhabitants wholly or partially within a first class county, and any first class county operating  
4 under a charter form of government and having a population of over nine hundred thousand  
5 inhabitants;

6 (2) "City transit authority", a commission or board created by city charter provision or  
7 by ordinance of a city, and which operates a public mass transportation system;

8 (3) "City utilities board", a board or commission created by city charter provision or by  
9 ordinance of a city, which controls and operates city-owned utilities including a public mass  
10 transportation system;

11 (4) "Director of revenue", the director of revenue of the state of Missouri;

12 (5) "Interstate transportation authority", any political subdivision created by compact  
13 between this state and another state, which is a body corporate and politic and a political  
14 subdivision of both contracting states, and which operates a public mass transportation system;

15 (6) "Interstate transportation district", that geographical area set forth and defined in the  
16 particular compact between this state and another state;

17 (7) "Person", an individual, corporation, partnership, or other entity;

18 (8) "Public mass transportation system", a transportation system or systems owned and  
19 operated by an interstate transportation authority, a municipality, a city transit authority, or a city  
20 utilities board, employing motor buses, rails or any other means of conveyance, by whatsoever  
21 type or power, operated for public use in the conveyance of persons, mainly providing local  
22 transportation service within an interstate transportation district or municipality;

23 (9) "Transportation purposes", financial support of a public mass transportation system  
24 **including, but not limited to, the development and operation of bus, para-transit, and**  
25 **fixed-rail and light-rail transit systems;** the construction, reconstruction, repair and  
26 maintenance of streets, roads and bridges within a municipality; the construction, reconstruction,  
27 repair and maintenance of airports owned and operated by municipalities; the acquisition of lands  
28 and rights-of-way for streets, roads, bridges and airports; and planning and feasibility studies for  
29 streets, roads, bridges, and airports. "Bridges" shall include bridges connecting a municipality  
30 with another municipality either within or without the state, with an unincorporated area of the  
31 state, or with another state or an unincorporated area thereof. Notwithstanding the other  
32 provisions of this subdivision, in first class counties operating under a charter form of  
33 government and having a population of over nine hundred thousand inhabitants, transportation  
34 purposes shall mean financial support of a public mass transportation system; the construction,  
35 reconstruction, repair and maintenance of streets, roads and bridges which are a part of a  
36 county-urban road system established by the governing body of the county; the acquisition of  
37 lands and rights-of-way for streets, roads and bridges for a county-urban road system established  
38 by the governing body of the county; planning and feasibility studies for streets, roads and  
39 bridges for a county-urban road system; and rapid transit purposes; and bridges shall include  
40 those county-urban road system bridges connecting a municipality with another municipality

41 either within or without the state, with an unincorporated area of the state, or with another state  
42 or an unincorporated area thereof.

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. **With respect to any tax increment financing plan originally approved by**  
8 **ordinance of the city council after March 31, 2009, in any home rule city with more than**  
9 **four hundred thousand inhabitants and located in more than one county, any three-eighths**  
10 **of one cent sales tax imposed under sections 94.600 to 94.655, RSMo, shall not be**  
11 **considered "economic activity taxes" as such term is defined under sections 99.805 and**  
12 **99.918, RSMo, and tax revenues derived from such taxes shall not be subject to allocation**  
13 **under the provisions of subsection 3 of section 99.845, RSMo, or subsection 4 of section**  
14 **99.957, RSMo. Any one-eighth of one cent sales tax imposed in such city under sections**  
15 **94.600 to 94.655, RSMo, for constructing and operating a light-rail transit system shall not**  
16 **be considered "economic activity taxes" as such term is defined under sections 99.805 and**  
17 **99.918, RSMo, and tax revenues derived from such tax shall not be subject to allocation**  
18 **under the provisions of subsection 3 of section 99.845, RSMo, or subsection 4 of section**  
19 **99.957, RSMo.**

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

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