HOUSE BILL NO. 382

101ST GENERAL ASSEMBLY

AN ACT

To repeal section 94.838, RSMo, and to enact in lieu thereof one new section relating to taxation.

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

Section A.   Section 94.838, RSMo, is repealed and one new section enacted in lieu
2   thereof, to be known as section 94.838, to read as follows:

94.838. 1. As used in this section, the following terms mean:

2   (1) "Food", all articles commonly used for food or drink, including alcoholic beverages,
3   the provisions of chapter 311 notwithstanding;

4   (2) "Food establishment", any café, cafeteria, lunchroom, or restaurant which sells food
5   at retail;

6   (3) "Municipality", any **[**village or fourth class city with more than two hundred but less
7   than three hundred inhabitants and located in any county of the third classification with a
8   township form of government and with more than twelve thousand five hundred but less than
9   twelve thousand six hundred inhabitants**]** **city of the fourth class with more than one hundred**
10 **sixty but fewer than one hundred eighty inhabitants and located in any county of the third**
11 **classification with a township form of government and with more than twelve thousand but**
12 **fewer than fourteen thousand inhabitants and with a city of the fourth classification with**
13 **more than four thousand five hundred but fewer than five thousand inhabitants as the**
14 **county seat;**

15   (4) "Transient guest", a person or persons who occupy a room or rooms in a hotel or
16 motel for thirty-one days or less during any calendar quarter.

17   2. The governing body of any municipality may impose, by order or ordinance:

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.

18   (1) A tax, not to exceed six percent per room per night, on the charges for all sleeping
19 rooms paid by the transient guests of hotels or motels situated in the municipality or a portion
20 thereof; and
21   (2) A tax, not to exceed [two] **six** percent, on the gross receipts derived from the retail
22 sales of food by every person operating a food establishment in the municipality.
23
24 The taxes shall be imposed solely for [the purpose of funding the construction, maintenance, and
25 operation of capital improvements] **general revenue purposes**. The order or ordinance shall not
26 become effective unless the governing body of the municipality submits to the voters of the
27 municipality at a state general or primary election a proposal to authorize the governing body of
28 the municipality to impose taxes under this section. The taxes authorized in this section shall
29 be in addition to the charge for the sleeping room, the retail sales of food at a food establishment,
30 and all other taxes imposed by law, and shall be stated separately from all other charges and
31 taxes.
32   3.   The ballot of submission for the taxes authorized in this section shall be in
33 substantially the following form:
34   Shall _____ (insert the name of the municipality) impose a tax on the charges
35   for all retail sales of food at a food establishment situated in _____ (name of
36   municipality) at a rate of _____ (insert rate of percent) percent, and for all
37   sleeping rooms paid by the transient guests of hotels and motels situated in
38   _____ (name of municipality) at a rate of _____ (insert rate of percent) percent,
39   solely for the purpose of [funding the construction, maintenance, and operation
40   of capital improvements] **increasing general revenue funds**?
41   ☐ YES   ☐ NO
42
43 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor
44 of the question, then the taxes shall become effective on the first day of the second calendar
45 quarter after the director of revenue receives notice of the adoption of the taxes. If a majority of
46 the votes cast on the question by the qualified voters voting thereon are opposed to the question,
47 then the taxes shall not become effective unless and until the question is resubmitted under this
48 section to the qualified voters and such question is approved by a majority of the qualified voters
49 voting on the question.
50   4. Any tax on the retail sales of food imposed under this section shall be administered,
51 collected, enforced, and operated as required in section 32.087, and any transient guest tax
52 imposed under this section shall be administered, collected, enforced, and operated by the
53 municipality imposing the tax. All revenue generated by the tax shall be deposited in a special

54   trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds
55   remaining in the special trust fund shall continue to be used solely for the designated purposes.
56   Any funds in the special trust fund which are not needed for current expenditures may be
57   invested in the same manner as other funds are invested. Any interest and moneys earned on
58   such investments shall be credited to the fund.

59   5. Once the initial bonds, if any, have been satisfied, then the governing body of any
60   municipality that has adopted the taxes authorized in this section may submit the question of
61   repeal of the taxes to the voters on any date available for elections for the municipality. The
62   ballot of submission shall be in substantially the following form:

63   Shall _____ (insert the name of the municipality) repeal the taxes imposed at the
64   rates of _____ (insert rate of percent) and _____ (insert rate of percent) percent
65   for the purpose of **[**~~funding the construction, maintenance, and operation of~~
66   ~~capital improvements~~**] increasing general revenue funds**?
67   ☐ YES   ☐ NO
68

69   If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become
70   effective on December thirty-first of the calendar year in which such repeal was approved. If a
71   majority of the votes cast on the question by the qualified voters voting thereon are opposed to
72   the repeal, then the tax authorized in this section shall remain effective until the question is
73   resubmitted under this section to the qualified voters, and the repeal is approved by a majority
74   of the qualified voters voting on the question.

75   6. Once the initial bonds, if any, have been satisfied, then, whenever the governing body
76   of any municipality that has adopted the taxes authorized in this section receives a petition,
77   signed by ten percent of the registered voters of the municipality voting in the last gubernatorial
78   election, calling for an election to repeal the taxes imposed under this section, the governing
79   body shall submit to the voters of the municipality a proposal to repeal the taxes. If a majority
80   of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal,
81   that repeal shall become effective on December thirty-first of the calendar year in which such
82   repeal was approved. If a majority of the votes cast on the question by the qualified voters voting
83   thereon are opposed to the repeal, then the tax shall remain effective until the question is
84   resubmitted under this section to the qualified voters and the repeal is approved by a majority of
85   the qualified voters voting on the question.

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