

SECOND REGULAR SESSION  
[P E R F E C T E D]  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 1131**  
94TH GENERAL ASSEMBLY

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Reported from the Committee on Economic Development, Tourism and Local Government, March 13, 2008, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

Senate Committee Substitute adopted March 31, 2008.

Taken up March 31, 2008. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

5023S.05P

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Section A. Sections 94.577, 94.600, and 94.605, RSMo, are repealed and  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

94.577. 1. The governing body of any municipality except those located  
2 in whole or in part within any first class county having a charter form of  
3 government and not containing any part of a city with a population of four  
4 hundred thousand or more and adjacent to a city not within a county for that part  
5 of the municipality located within such first class county is hereby authorized to  
6 impose, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half  
7 of one percent sales tax on all retail sales made in such municipality which are  
8 subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for  
9 the purpose of funding capital improvements, including the operation and  
10 maintenance of capital improvements, which may be funded by issuing bonds  
11 which will be retired by the revenues received from the sales tax authorized by  
12 this section or the retirement of debt under previously authorized bonded  
13 indebtedness. A municipality located in a charter county may impose a sales tax

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

14 on all retail sales for capital improvements as provided in section 94.890. The tax  
15 authorized by this section shall be in addition to any and all other sales taxes  
16 allowed by law; but no ordinance imposing a sales tax under the provisions of this  
17 section shall be effective unless the governing body of the municipality submits  
18 to the voters of the municipality, at a municipal or state general, primary or  
19 special election, a proposal to authorize the governing body of the municipality  
20 to impose such tax and, if such tax is to be used to retire bonds authorized under  
21 this section, to authorize such bonds and their retirement by such tax, or to  
22 authorize the retirement of debt under previously authorized bonded  
23 indebtedness.

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

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

27 Shall the municipality of ..... (municipality's name) impose a sales tax  
28 of ..... (insert amount) for the purpose of funding capital improvements which  
29 may include the retirement of debt under previously authorized bonded  
30 indebtedness?

31 ☐ YES ☐ NO

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

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

37 Shall the municipality of ..... (municipality's name) issue bonds in the  
38 amount ..... of ..... (insert amount) to fund capital improvements and impose  
39 a sales tax of ..... (insert amount) to repay bonds?

40 ☐ YES ☐ NO

41 If you are in favor of the question, place an "X" in the box opposite "Yes". If you  
42 are opposed to the question, place an "X" in box opposite "No". If a majority of  
43 the votes cast on the proposal by the qualified voters voting thereon are in favor  
44 of the proposal, including when the proposal authorizes the reduction of debt  
45 under previously authorized bonded indebtedness under subdivision (1) of this  
46 subsection, then the ordinance or order and any amendments thereto shall be in  
47 effect, except that any proposal submitted under subdivision (2) of this subsection  
48 to issue bonds and impose a sales tax to retire such bonds must be approved by  
49 the constitutionally required percentage of the voters voting thereon to become

50 effective. If a majority of the votes cast by the qualified voters voting are opposed  
51 to the proposal, then the governing body of the municipality shall have no power  
52 to issue any bonds or impose the sales tax authorized in this section unless and  
53 until the governing body of the municipality shall again have submitted another  
54 proposal to authorize the governing body of the municipality to issue any bonds  
55 or impose the sales tax authorized by this section, and such proposal is approved  
56 by the requisite majority of the qualified voters voting thereon; however, in no  
57 event shall a proposal pursuant to this section be submitted to the voters sooner  
58 than twelve months from the date of the last proposal pursuant to this section,  
59 except that any municipality with a population of greater than four hundred  
60 thousand and located within more than one county may submit a proposal  
61 pursuant to this section to the voters sooner than twelve months from the date  
62 of the last proposal submitted pursuant to this section if submitted to the voters  
63 on or before November 6, 2001.

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

77         4. All revenue received by a municipality which issues bonds under this  
78 section and imposes the tax authorized by this section to retire such bonds shall  
79 be deposited in a special trust fund and shall be used solely to retire such bonds,  
80 except to the extent that such funds are required for the operation and  
81 maintenance of capital improvements. Once all of such bonds have been retired,  
82 all funds remaining in the special trust fund required by this subsection shall be  
83 used solely for the maintenance of the capital improvements made with the  
84 revenue received as a result of the issuance of such bonds. Any funds in the  
85 special trust fund required by this subsection which are not needed to meet

86 current obligations under the bonds issued under this section may be invested by  
87 the governing body in accordance with applicable laws relating to the investment  
88 of other municipal funds. The provisions of this subsection shall apply only to  
89 taxes authorized by this section which have been imposed to retire bonds issued  
90 under this section.

91         5. After the effective date of any tax imposed under the provisions of this  
92 section, the director of revenue shall perform all functions incident to the  
93 administration, collection, enforcement, and operation of the tax in the same  
94 manner as provided in sections 94.500 to [94.570] **94.550**, and the director of  
95 revenue shall collect in addition to the sales tax for the state of Missouri the  
96 additional tax authorized under the authority of this section. The tax imposed  
97 pursuant to this section and the tax imposed under the sales tax law of the state  
98 of Missouri shall be collected together and reported upon such forms and under  
99 such administrative rules and regulations as may be prescribed by the director  
100 of revenue. Except as modified in this section, all provisions of sections 32.085  
101 and 32.087, RSMo, shall apply to the tax imposed under this section.

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

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

111         8. **Any tax imposed under this section in any home rule city with**  
112 **more than four hundred thousand inhabitants and located in more than**  
113 **one county solely for public transit purposes shall not be considered**  
114 **"economic activity taxes" as such term is defined under sections 99.805**  
115 **and 99.918, RSMo, and tax revenues derived from such tax shall not be**  
116 **subject to allocation under the provisions of subsection 3 of section**  
117 **99.845, RSMo, or subsection 4 of section 99.957, RSMo.**

118         9. The director of revenue may authorize the state treasurer to make  
119 refunds from the amounts in the trust fund and credited to any municipality for  
120 erroneous payments and overpayments made, and may redeem dishonored checks  
121 and drafts deposited to the credit of such municipalities. If any municipality

122 abolishes the tax, the municipality shall notify the director of revenue of the  
123 action at least ninety days prior to the effective date of the repeal and the  
124 director of revenue may order retention in the trust fund, for a period of one year,  
125 of two percent of the amount collected after receipt of such notice to cover possible  
126 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
127 deposited to the credit of such accounts. After one year has elapsed after the  
128 effective date of abolition of the tax in such municipality, the director of revenue  
129 shall remit the balance in the account to the municipality and close the account  
130 of that municipality. The director of revenue shall notify each municipality of  
131 each instance of any amount refunded or any check redeemed from receipts due  
132 the 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  
3 thousand inhabitants wholly or partially within a first class county, and any first  
4 class county operating under a charter form of government and having a  
5 population of over nine hundred thousand inhabitants;

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

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

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

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

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

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

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

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

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

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

9 3. **After March 31, 2009, in any home rule city with more than**  
10 **four hundred thousand inhabitants and located in more than one**  
11 **county, any three-eighths of one cent sales tax imposed under sections**  
12 **94.600 to 94.655, RSMo, shall not be considered "economic activity taxes"**  
13 **as such term is defined under sections 99.805 and 99.918, RSMo, and tax**

14 revenues derived from such taxes shall not be subject to allocation  
15 under the provisions of subsection 3 of section 99.845, RSMo, or  
16 subsection 4 of section 99.957, RSMo. Any one-eighth of one cent sales  
17 tax imposed in such city under sections 94.600 to 94.655, RSMo, shall  
18 not be considered "economic activity taxes" as such term is defined  
19 under sections 99.805 and 99.918, RSMo, and tax revenues derived from  
20 such tax shall not be subject to allocation under the provisions of  
21 subsection 3 of section 99.845, RSMo, or subsection 4 of section 99.957,  
22 RSMo.

23       4. If the boundaries of a city in which such sales tax has been imposed  
24 shall thereafter be changed or altered, the city or county clerk shall forward to  
25 the director of revenue by United States registered mail or certified mail a  
26 certified copy of the ordinance adding or detaching territory from the city. The  
27 ordinance shall reflect the effective date thereof, and shall be accompanied by a  
28 map of the city clearly showing the territory added thereto or detached  
29 therefrom. Upon receipt of the ordinance and map, the tax imposed by sections  
30 94.600 to 94.655 shall be effective in the added territory or abolished in the  
31 detached territory on the effective date of the change of the city boundary.

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