

SECOND REGULAR SESSION

# HOUSE BILL NO. 2119

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES CRAWFORD AND BEARDEN (Co-sponsors).

Read 1<sup>st</sup> time March 7, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4852L.011

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### AN ACT

To repeal sections 144.805, 155.080, and 305.230, RSMo, and to enact in lieu thereof three new sections relating to aviation improvement.

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

Section A. Sections 144.805, 155.080, and 305.230, RSMo, are repealed and three new  
2 sections enacted in lieu thereof, to be known as sections 144.805, 155.080, and 305.230, to read  
3 as follows:

144.805. 1. In addition to the exemptions granted pursuant to the provisions of section  
2 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to  
3 144.525, sections 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any  
4 local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax  
5 levied, assessed or payable pursuant to sections 144.010 to 144.525, sections 144.600 to 144.748,  
6 and section 238.235, RSMo, and the provisions of any local sales tax law, as defined in section  
7 32.085, RSMo, all sales of aviation jet fuel in a given calendar year to common carriers engaged  
8 in the interstate air transportation of passengers and cargo, and the storage, use and consumption  
9 of such aviation jet fuel by such common carriers, if such common carrier has first paid to the  
10 state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes  
11 pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption  
12 of such aviation jet fuel in a maximum and aggregate amount of one million five hundred  
13 thousand dollars of state sales and use taxes in such calendar year.

14 2. To qualify for the exemption prescribed in subsection 1 of this section, the common  
15 carrier shall furnish to the seller a certificate in writing to the effect that an exemption pursuant

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

16 to this section is applicable to the aviation jet fuel so purchased, stored, used and consumed. The  
17 director of revenue shall permit any such common carrier to enter into a direct-pay agreement  
18 with the department of revenue, pursuant to which such common carrier may pay directly to the  
19 department of revenue any applicable sales and use taxes on such aviation jet fuel up to the  
20 maximum aggregate amount of one million five hundred thousand dollars in each calendar year.  
21 The director of revenue shall adopt appropriate rules and regulations to implement the provisions  
22 of this section, and to permit appropriate claims for refunds of any excess sales and use taxes  
23 collected in calendar year 1993 or any subsequent year with respect to any such common carrier  
24 and aviation jet fuel.

25 3. The provisions of this section shall apply to all purchases and deliveries of aviation  
26 jet fuel from and after May 10, 1993.

27 4. [Effective September 1, 1998, all sales and use tax revenues upon aviation jet fuel  
28 received pursuant to this chapter, less the amounts specifically designated pursuant to the  
29 constitution or pursuant to section 144.701, for other purposes, shall be deposited to the credit  
30 of the aviation trust fund established pursuant to section 305.230, RSMo; provided however, the  
31 amount of such state sales and use tax revenues deposited to the credit of such aviation trust fund  
32 shall not exceed five million dollars in each calendar year.

33 5.] The provisions of this section and section 144.807 shall expire on December 31,  
34 2003.

155.080. 1. There is hereby imposed a use tax on each gallon of aviation fuel used in  
2 propelling aircraft with reciprocating engines. The tax is imposed at the rate of nine cents per  
3 gallon. Such tax is to be collected and remitted to this state or paid to this state in the same  
4 manner and method and at the same time as is prescribed by chapter 142, RSMo, for the  
5 collection of the motor fuel tax imposed on each gallon of motor fuel used in propelling motor  
6 vehicles upon the public highways of Missouri.

7 2. All applicable provisions contained in chapter 142, RSMo, governing administration,  
8 collection and enforcement of the state motor fuel tax shall apply to this section, including but  
9 not limited to reporting, penalties and interest.

10 3. Each commercial agricultural aircraft operator may apply for a refund of the tax it has  
11 paid for aviation fuel used in a commercial agricultural aircraft. All such applications for refunds  
12 shall be made in accordance with the procedures specified in chapter 142, RSMo, for refunds of  
13 motor fuel taxes paid. If any person who is eligible to receive a refund of aviation fuel tax fails  
14 to apply for a refund as provided in chapter 142, RSMo, [he makes a gift of his refund to the  
15 aviation trust fund] **the refund amount shall be deposited to the credit of the aviation trust**  
16 **fund pursuant to section 305.230, RSMo.**

17 4. All revenue from sales and use tax on aviation jet fuel received pursuant to

18 **chapter 144, RSMo, except those amounts specifically designated pursuant to section**  
19 **144.701, RSMo, shall be deposited to the credit of the aviation trust fund established**  
20 **pursuant to section 305.230, RSMo.**

305.230. 1. The state highways and transportation commission shall administer an  
2 aeronautics program within this state. The [state] commission shall encourage, foster and  
3 participate with the political subdivisions of this state in the promotion and development of  
4 aeronautics. The [state] commission may provide financial assistance in the form of grants from  
5 funds appropriated for such purpose to any political subdivision or instrumentality of this state  
6 acting independently or jointly or to the owner or owners of any privately owned airport  
7 designated as a reliever by the Federal Aviation Administration for the planning, acquisition,  
8 construction, improvement or maintenance of airports, or for other aeronautical purposes.

9 2. Any political subdivision or instrumentality of this state or the owner or owners of any  
10 privately owned airport designated as a reliever by the Federal Aviation Administration receiving  
11 state funds for the purchase, construction, or improvement, except maintenance, of an airport  
12 shall agree before any funds are paid to it to control by ownership or lease the airport for a period  
13 equal to the useful life of the project as determined by the [state] commission following the last  
14 payment of state or federal funds to it. In the event an airport authority ceases to exist for any  
15 reason, this obligation shall be carried out by the governing body which created the authority.

16 3. Unless otherwise provided, grants to political subdivisions, instrumentalities or to the  
17 owner or owners of any privately owned airport designated as a reliever by the Federal Aviation  
18 Administration shall be made from the aviation trust fund. In making grants, the commission  
19 shall consider whether the local community has given financial support to the airport in the past.  
20 Priority shall be given to airports with local funding for the past five years with no reduction in  
21 such funding. The aviation trust fund is a revolving trust fund exempt from the provisions of  
22 section 33.080, RSMo, relating to the transfer of funds to the general revenue funds of the state  
23 by the state treasurer. All interest earned upon the balance in the aviation trust fund shall be  
24 deposited to the credit of the same fund.

25 4. The moneys in the aviation trust fund shall be administered by the [state] commission  
26 and, when appropriated, shall be used for the following purposes:

27 (1) As matching funds on an up to [eighty] **ninety** percent [state/twenty] **state/ten**  
28 percent local basis, except in the case where federal funds are being matched, when the ratio of  
29 state and local funds used to match the federal funds shall be fifty percent state/fifty percent  
30 local:

31 (a) For preventive maintenance of runways, taxiways and aircraft parking areas, and for  
32 emergency repairs of the same;

33 (b) For the acquisition of land for the development and improvement of airports;

- 34 (c) For the earthwork and drainage necessary for the construction, reconstruction or  
35 repair of runways, taxiways, and aircraft parking areas;
- 36 (d) For the construction, or restoration of runways, taxiways, or aircraft parking areas;
- 37 (e) For the acquisition of land or easements necessary to satisfy Federal Aviation  
38 Administration safety requirements;
- 39 (f) For the identification, marking or removal of natural or manmade obstructions to  
40 airport control zone surfaces and safety areas;
- 41 (g) For the installation of runway, taxiway, boundary, ramp, or obstruction lights,  
42 together with any work directly related to the electrical equipment;
- 43 (h) For the erection of fencing on or around the perimeter of an airport;
- 44 (i) For purchase, installation or repair of air navigational and landing aid facilities and  
45 communication equipment;
- 46 (j) For engineering related to a project funded under the provisions of this section and  
47 technical studies or consultation related to aeronautics;
- 48 (k) For airport planning projects including master plans and site selection for  
49 development of new airports, for updating or establishing master plans and airport layout plans  
50 at existing airports;
- 51 (l) For the purchase, installation, or repair of safety equipment and such other capital  
52 improvements and equipment as may be required for the safe and efficient operation of the  
53 airport;
- 54 (2) As total funds, with no local match:
- 55 (a) For providing air markers, windsocks, and other items determined to be in the interest  
56 of the safety of the general flying public;
- 57 (b) For the printing and distribution of state aeronautical charts and state airport  
58 directories on an annual basis, and a newsletter on a quarterly basis or the publishing and  
59 distribution of any public interest information deemed necessary by the [state] commission;
- 60 (c) For the conducting of aviation safety workshops;
- 61 (d) For the promotion of aerospace education;
- 62 (3) As total funds with no local match, up to five hundred thousand dollars per year may  
63 be used for the cost of operating existing air traffic control towers that do not receive funding  
64 from the Federal Aviation Administration or the **United States** Department of Defense, except  
65 no more than one hundred twenty-five thousand dollars per year may be used for any individual  
66 control tower.
- 67 5. In the event of a natural or manmade disaster which closes any runway or renders  
68 inoperative any electronic or visual landing aid at an airport, any funds appropriated for the  
69 purpose of capital improvements or maintenance of airports may be made immediately available

70 for necessary repairs once they are approved by the [Missouri department of transportation]  
71 **commission**. For projects designated as emergencies by the [Missouri department of  
72 transportation] **commission**, all requirements relating to normal procurement of engineering and  
73 construction services are waived.

74 6. As used in this section, the term "instrumentality of the state" shall mean any state  
75 educational institution as defined in section 176.010, RSMo, or any state agency which owned  
76 or operated an airport on January 1, 1997, and continues to own or operate such airport.