

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 117**  
96TH GENERAL ASSEMBLY

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Reported from the Committee on Ways and Means and Fiscal Oversight, March 31, 2011, with recommendation that the Senate Committee Substitute do pass.

0835S.03C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal section 144.032, RSMo, and to enact in lieu thereof two new sections relating to the imposition of a hospital district sales tax in lieu of a property tax to fund a hospital district, with an emergency clause.

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

Section A. Section 144.032, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 144.032 and 205.205, to read as follows:

144.032. The provisions of section 144.030 to the contrary notwithstanding, any city imposing a sales tax under the provisions of sections 94.500 to 94.570, or any county imposing a sales tax under the provisions of sections 66.600 to 66.635, or any county imposing a sales tax under the provisions of sections 67.500 to 67.729, **or any hospital district imposing a sales tax under the provisions of section 205.205**, may by ordinance impose a sales tax upon all sales of metered water services, electricity, electrical current and natural, artificial or propane gas, wood, coal, or home heating oil for domestic use only. Such tax shall be administered by the department of revenue and assessed by the retailer in the same manner as any other city [or], county, **or hospital district** sales tax. Domestic use shall be determined in the same manner as the determination of domestic use for exemption of such sales from the state sales tax under the provisions of section 144.030.

**205.205. 1. The governing body of any hospital district established under sections 205.160 to 205.379 in any county of the third classification without a township form of government and with more**

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

4 than ten thousand six hundred but fewer than ten thousand seven  
5 hundred inhabitants may, by resolution, abolish the property tax  
6 authorized in such district under this chapter and impose a sales tax  
7 on all retail sales made within the district which are subject to sales  
8 tax under chapter 144 and all sales of metered water services,  
9 electricity, electrical current and natural, artificial or propane gas,  
10 wood, coal, or home heating oil for domestic use only as provided under  
11 section 144.032. The tax authorized in this section shall be not more  
12 than one percent, and shall be imposed solely for the purpose of  
13 funding the hospital district. The tax authorized in this section shall  
14 be in addition to all other sales taxes imposed by law, and shall be  
15 stated separately from all other charges and taxes.

16 2. No such resolution adopted under this section shall become  
17 effective unless the governing body of the hospital district submits to  
18 the voters residing within the district at a state general, primary, or  
19 special election a proposal to authorize the governing body of the  
20 district to impose a tax under this section. If a majority of the votes  
21 cast on the question by the qualified voters voting thereon are in favor  
22 of the question, then the tax shall become effective on the first day of  
23 the second calendar quarter after the director of revenue receives  
24 notification of adoption of the local sales tax. If a majority of the votes  
25 cast on the question by the qualified voters voting thereon are opposed  
26 to the question, then the tax shall not become effective unless and until  
27 the question is resubmitted under this section to the qualified voters  
28 and such question is approved by a majority of the qualified voters  
29 voting on the question.

30 3. All revenue collected under this section by the director of the  
31 department of revenue on behalf of the hospital district, except for one  
32 percent for the cost of collection which shall be deposited in the state's  
33 general revenue fund, shall be deposited in a special trust fund, which  
34 is hereby created and shall be known as the "Hospital District Sales Tax  
35 Fund", and shall be used solely for the designated purposes. Moneys in  
36 the fund shall not be deemed to be state funds, and shall not be  
37 commingled with any funds of the state. The director may make  
38 refunds from the amounts in the fund and credited to the district for  
39 erroneous payments and overpayments made, and may redeem  
40 dishonored checks and drafts deposited to the credit of such district.

41 Any funds in the special fund which are not needed for current  
42 expenditures shall be invested in the same manner as other funds are  
43 invested. Any interest and moneys earned on such investments shall be  
44 credited to the fund.

45 4. The governing body of any hospital district that has adopted  
46 the sales tax authorized in this section may submit the question of  
47 repeal of the tax to the voters on any date available for elections for  
48 the district. If a majority of the votes cast on the question by the  
49 qualified voters voting thereon are in favor of the repeal, that repeal  
50 shall become effective on December thirty-first of the calendar year in  
51 which such repeal was approved.

52 If a majority of the votes cast on the question by the qualified voters  
53 voting thereon are opposed to the repeal, then the sales tax authorized  
54 in this section shall remain effective until the question is resubmitted  
55 under this section to the qualified voters and the repeal is approved by  
56 a majority of the qualified voters voting on the question.

57 5. Whenever the governing body of any hospital district that has  
58 adopted the sales tax authorized in this section receives a petition,  
59 signed by a number of registered voters of the district equal to at least  
60 ten percent of the number of registered voters of the district voting in  
61 the last gubernatorial election, calling for an election to repeal the  
62 sales tax imposed under this section, the governing body shall submit  
63 to the voters of the district a proposal to repeal the tax. If a majority  
64 of the votes cast on the question by the qualified voters voting thereon  
65 are in favor of the repeal, the repeal shall become effective on  
66 December thirty-first of the calendar year in which such repeal was  
67 approved. If a majority of the votes cast on the question by the  
68 qualified voters voting thereon are opposed to the repeal, then the sales  
69 tax authorized in this section shall remain effective until the question  
70 is resubmitted under this section to the qualified voters and the repeal  
71 is approved by a majority of the qualified voters voting on the question.

72 6. If the tax is repealed or terminated by any means, all funds  
73 remaining in the special trust fund shall continue to be used solely for  
74 the designated purposes, and the hospital district shall notify the  
75 director of the department of revenue of the action at least ninety days  
76 before the effective date of the repeal and the director may order  
77 retention in the trust fund, for a period of one year, of two percent of

78 the amount collected after receipt of such notice to cover possible  
79 refunds or overpayment of the tax and to redeem dishonored checks  
80 and drafts deposited to the credit of such accounts. After one year has  
81 elapsed after the effective date of abolition of the tax in such district,  
82 the director shall remit the balance in the account to the district and  
83 close the account of that district. The director shall notify each district  
84 of each instance of any amount refunded or any check redeemed from  
85 receipts due the district.

Section B. Because of the need to adequately fund hospital districts in  
2 the state, section A of this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace and safety, and is hereby  
4 declared to be an emergency act within the meaning of the constitution, and  
5 section A of this act shall be in full force and effect upon its passage and  
6 approval.

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Bill

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