

FIRST REGULAR SESSION

# SENATE BILL NO. 447

97TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR BROWN.

Read 1st time February 28, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1921S.01I

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## AN ACT

To repeal sections 144.032 and 205.205, RSMo, and to enact in lieu thereof four new sections relating to local hospitals.

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

Section A. Sections 144.032 and 205.205, RSMo, are repealed and four  
2 new sections enacted in lieu thereof, to be known as sections 96.155, 144.032,  
3 205.205, and 206.165, to read as follows:

**96.155. 1. The board of trustees of a hospital established**  
2 **pursuant to this chapter, with the concurrence of the council of the city**  
3 **of the third class, may, by resolution, abolish the property tax**  
4 **authorized by section 96.150 to fund the operations of a hospital in**  
5 **accordance with sections 96.150 to 96.228 and impose a sales tax on all**  
6 **retail sales made within the city which are subject to sales tax under**  
7 **chapter 144 and all sales of metered water services, electricity,**  
8 **electrical current and natural, artificial or propane gas, wood, coal, or**  
9 **home heating oil for domestic use only as provided under section**  
10 **144.032. The tax authorized in this section shall be not more than one**  
11 **percent, and shall be imposed solely for the purpose of funding the**  
12 **operations of a hospital pursuant to sections 96.150 to 96.228. The tax**  
13 **authorized in this section shall be in addition to all other sales taxes**  
14 **imposed by law, and shall be stated separately from all other charges**  
15 **and taxes.**

16 **2. No such resolution adopted under this section shall become**  
17 **effective unless the board of trustees of such a hospital submits to the**  
18 **voters residing within the city of the third class at a state general,**  
19 **primary, or special election a proposal to authorize the board of**

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

20 trustees to impose a tax under this section. If two-thirds 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 two-thirds 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 two-thirds 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 operated pursuant to  
32 sections 96.150 to 96.228, except for one percent for the cost of  
33 collection which shall be deposited in the state's general revenue fund,  
34 shall be deposited in a special trust fund, which is hereby created and  
35 shall be known as the "City of the Third Class City Hospital Sales Tax  
36 Fund", and shall be used solely for the designated purposes. Moneys in  
37 the fund shall not be deemed to be state funds, and shall not be  
38 commingled with any funds of the state. The director may make  
39 refunds from the amounts in the fund and credited to the board of  
40 trustees of the city hospital for erroneous payments and overpayments  
41 made, and may redeem dishonored checks and drafts deposited to the  
42 credit of such board of trustees. Any funds in the special fund which  
43 are not needed for current expenditures shall be invested in the same  
44 manner as other funds are invested. Any interest and moneys earned  
45 on such investments shall be credited to the fund.

46       4. The board of trustees of a hospital operated pursuant to  
47 sections 96.150 to 96.228 that has adopted the sales tax authorized in  
48 this section may submit the question of repeal of the tax to the voters  
49 on any date available for elections for the city of the third class. If a  
50 majority of the votes cast on the question by the qualified voters voting  
51 thereon are in favor of the repeal, that repeal shall become effective on  
52 December thirty-first of the calendar year in which such repeal was  
53 approved. If a majority of the votes cast on the question by the  
54 qualified voters voting thereon are opposed to the repeal, then the sales  
55 tax authorized in this section shall remain effective until the question  
56 is resubmitted under this section to the qualified voters and the repeal

57 is approved by a majority of the qualified voters voting on the question.

58       5. Whenever the board of trustees of a hospital operated  
59 pursuant to sections 96.150 to 96.228 that has adopted the sales tax  
60 authorized in this section receives a petition, signed by a number of  
61 registered voters of the city of the third class equal to at least ten  
62 percent of the number of registered voters of the city voting in the last  
63 gubernatorial election, calling for an election to repeal the sales tax  
64 imposed under this section, the board of trustees shall submit to the  
65 voters of the city of the third class a proposal to repeal the tax. If a  
66 majority of the votes cast on the question by the qualified voters voting  
67 thereon are in favor of the repeal, the repeal shall become effective on  
68 December thirty-first of the calendar year in which such repeal was  
69 approved. If a majority of the votes cast on the question by the  
70 qualified voters voting thereon are opposed to the repeal, then the sales  
71 tax authorized in this section shall remain effective until the question  
72 is resubmitted under this section to the qualified voters and the repeal  
73 is approved by a majority of the qualified voters voting on the question.

74       6. If the tax is repealed or terminated by any means, all funds  
75 remaining in the special trust fund shall continue to be used solely for  
76 the designated purposes, and the board of trustees shall notify the  
77 director of the department of revenue of the action at least ninety days  
78 before the effective date of the repeal and the director may order  
79 retention in the trust fund, for a period of one year, of two percent of  
80 the amount collected after receipt of such notice to cover possible  
81 refunds or overpayment of the tax and to redeem dishonored checks  
82 and drafts deposited to the credit of such accounts. After one year has  
83 elapsed after the effective date of abolition of the tax in such city of the  
84 third class, the director shall remit the balance in the account to the  
85 district and close the account of that city hospital. The director shall  
86 notify each board of trustees of each instance of any amount refunded  
87 or any check redeemed from receipts due the hospital operated  
88 pursuant to sections 96.150 to 96.228.

144.032. The provisions of section 144.030 to the contrary  
2 notwithstanding, any city imposing a sales tax under the provisions of sections  
3 94.500 to 94.570 or sections 96.150 to 92.228, or any county imposing a sales  
4 tax under the provisions of sections 66.600 to 66.635, or any county imposing a  
5 sales tax under the provisions of sections 67.500 to 67.729 or section 205.205,

6 **or any hospital district imposing a sales tax under the provisions of**  
7 **section 206.165**, or any hospital district imposing a sales tax under the  
8 provisions of section 205.205 may by ordinance impose a sales tax upon all sales  
9 of metered water services, electricity, electrical current and natural, artificial or  
10 propane gas, wood, coal, or home heating oil for domestic use only. Such tax shall  
11 be administered by the department of revenue and assessed by the retailer in the  
12 same manner as any other city, county, or hospital district sales tax. Domestic  
13 use shall be determined in the same manner as the determination of domestic use  
14 for exemption of such sales from the state sales tax under the provisions of  
15 section 144.030.

205.205. 1. The governing body of any [hospital district] **county which**  
2 **has** established a **county hospital** under sections 205.160 to 205.379 [in any  
3 county of the third classification without a township form of government and with  
4 more than ten thousand six hundred but fewer than ten thousand seven hundred  
5 inhabitants or any county of the third classification without a township form of  
6 government and with more than eleven thousand seven hundred fifty but fewer  
7 than eleven thousand eight hundred fifty inhabitants] may, by resolution, abolish  
8 the property tax authorized [in such district] **by section 205.200 to fund a**  
9 **county hospital** under this chapter and impose a sales tax on all retail sales  
10 made within the district which are subject to sales tax under chapter 144 and all  
11 sales of metered water services, electricity, electrical current and natural,  
12 artificial or propane gas, wood, coal, or home heating oil for domestic use only as  
13 provided under section 144.032. The tax authorized in this section shall be not  
14 more than one percent, and shall be imposed solely for the purpose of funding the  
15 **county** hospital [district]. The tax authorized in this section shall be in addition  
16 to all other sales taxes imposed by law, and shall be stated separately from all  
17 other charges and taxes.

18 2. No such resolution adopted under this section shall become effective  
19 unless the governing body of the [hospital district] **county** submits to the voters  
20 residing within the [district] **county** at a state general, primary, or special  
21 election a proposal to authorize the governing body of the [district] **county** to  
22 impose a tax under this section. If a majority of the votes cast on the question  
23 by the qualified voters voting thereon are in favor of the question, then the tax  
24 shall become effective on the first day of the second calendar quarter after the  
25 director of revenue receives notification of adoption of the local sales tax. If a  
26 majority of the votes cast on the question by the qualified voters voting thereon

27 are opposed to the question, then the tax shall not become effective unless and  
28 until the question is resubmitted under this section to the qualified voters and  
29 such question is approved by a majority of the qualified voters voting on the  
30 question.

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

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

54         5. Whenever the governing body of any [hospital district] **county** that has  
55 adopted the sales tax authorized in this section receives a petition, signed by a  
56 number of registered voters of the [district] **county** equal to at least ten percent  
57 of the number of registered voters of the [district] **county** voting in the last  
58 gubernatorial election, calling for an election to repeal the sales tax imposed  
59 under this section, the governing body shall submit to the voters of the [district]  
60 **county** a proposal to repeal the tax. If a majority of the votes cast on the  
61 question by the qualified voters voting thereon are in favor of the repeal, the  
62 repeal shall become effective on December thirty-first of the calendar year in

63 which such repeal was approved. If a majority of the votes cast on the question  
64 by the qualified voters voting thereon are opposed to the repeal, then the sales  
65 tax authorized in this section shall remain effective until the question is  
66 resubmitted under this section to the qualified voters and the repeal is approved  
67 by a majority of the qualified voters voting on the question.

68 6. If the tax is repealed or terminated by any means, all funds remaining  
69 in the special trust fund shall continue to be used solely for the designated  
70 purposes, and the [hospital district] **county** shall notify the director of the  
71 department of revenue of the action at least ninety days before the effective date  
72 of the repeal and the director may order retention in the trust fund, for a period  
73 of one year, of two percent of the amount collected after receipt of such notice to  
74 cover possible refunds or overpayment of the tax and to redeem dishonored checks  
75 and drafts deposited to the credit of such accounts. After one year has elapsed  
76 after the effective date of abolition of the tax in such district, the director shall  
77 remit the balance in the account to the [district] **county** and close the account  
78 of that [district] **county**. The director shall notify each [district] **county** of each  
79 instance of any amount refunded or any check redeemed from receipts due the  
80 [district] **county**.

81 7. **The levy of a sales tax by a county pursuant to this section or**  
82 **section 205.202 shall be deemed to comply with the requirements of this**  
83 **section if it was approved prior to January 1, 2012, by the voters of the**  
84 **county.**

206.165. 1. **The governing body of any hospital district**  
2 **established under sections 206.010 to 206.160 may, by resolution,**  
3 **abolish the property tax authorized in such district under this chapter**  
4 **and impose a sales tax on all retail sales made within the district which**  
5 **are subject to sales tax under chapter 144 and all sales of metered**  
6 **water services, electricity, electrical current and natural, artificial or**  
7 **propane gas, wood, coal, or home heating oil for domestic use only as**  
8 **provided under section 144.032. The tax authorized in this section shall**  
9 **not be more than one percent, and shall be imposed solely for the**  
10 **purpose of funding the hospital district. The tax authorized in this**  
11 **section shall be in addition to all other sales taxes imposed by law, and**  
12 **shall be stated separately from all other charges and taxes.**

13 2. **No such resolution adopted under this section shall become**  
14 **effective unless the governing body of the hospital district submits to**

15 the voters residing within the district at a state general, primary, or  
16 special election a proposal to authorize the governing body of the  
17 district to impose a tax under this section. If a majority of the votes  
18 cast on the question by the qualified voters voting thereon are in favor  
19 of the question, then the tax shall become effective on the first day of  
20 the second calendar quarter after the director of revenue receives  
21 notification of adoption of the local sales tax. If a majority of the votes  
22 cast on the question by the qualified voters voting thereon are opposed  
23 to the question, then the tax shall not become effective unless and until  
24 the question is resubmitted under this section to the qualified voters  
25 and such question is approved by a majority of the qualified voters  
26 voting on the question.

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

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

52 qualified voters and the repeal is approved by a majority of the  
53 qualified voters voting on the question.

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

69         6. If the tax is repealed or terminated by any means, all funds  
70 remaining in the special trust fund shall continue to be used solely for  
71 the designated purposes, and the hospital district shall notify the  
72 director of the department of revenue of the action at least ninety days  
73 before the effective date of the repeal and the director may order  
74 retention in the trust fund, for a period of one year, of two percent of  
75 the amount collected after receipt of such notice to cover possible  
76 refunds or overpayment of the tax and to redeem dishonored checks  
77 and drafts deposited to the credit of such accounts. After one year has  
78 elapsed after the effective date of abolition of the tax in such district,  
79 the director shall remit the balance in the account to the district and  
80 close the account of that district. The director shall notify each district  
81 of each instance of any amount refunded or any check redeemed from  
82 receipts due the district.

83         7. The levy of a sales tax by a hospital district pursuant to  
84 section 205.205 shall be deemed to comply with the requirements of this  
85 section if it was approved prior to January 1, 2012, by the voters of the  
86 hospital district.

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