

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 616
100TH GENERAL ASSEMBLY

Reported from the Committee on Local Government and Elections, February 27, 2020, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

3662S.02C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 205.202, RSMo, and to enact in lieu thereof one new section relating to the closure of county hospital districts.

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

Section A. Section 205.202, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 205.202, to read as follows:

205.202. 1. The governing body of any hospital district established under
2 sections 205.160 to 205.379 in any county of the third classification without a
3 township form of government and with more than thirteen thousand five hundred
4 but fewer than thirteen thousand six hundred inhabitants may, by resolution,
5 abolish the property tax levied in such district under this chapter and impose a
6 sales tax on all retail sales made within the district which are subject to sales tax
7 under chapter 144. The tax authorized in this section shall be not more than one
8 percent, and shall be imposed solely for the purpose of funding the hospital
9 district. The tax authorized in this section shall be in addition to all other sales
10 taxes imposed by law, and shall be stated separately from all other charges and
11 taxes.

12 2. No such resolution adopted under this section shall become effective
13 unless the governing body of the hospital district submits to the voters residing
14 within the district at a state general, primary, or special election a proposal to
15 authorize the governing body of the district to impose a tax under this section. If
16 a majority of the votes cast on the question by the qualified voters voting thereon
17 are in favor of the question, then the tax shall become effective on the first day
18 of the second calendar quarter after the director of revenue receives notification
19 of adoption of the local sales tax. If a majority of the votes cast on the question
20 by the qualified voters voting thereon are opposed to the question, then the tax

21 shall not become effective unless and until the question is resubmitted under this
22 section to the qualified voters and such question is approved by a majority of the
23 qualified voters voting on the question.

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

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

47 5. Whenever the governing body of any hospital district that has adopted
48 the sales tax authorized in this section receives a petition, signed by a number
49 of registered voters of the district equal to at least ten percent of the number of
50 registered voters of the district voting in the last gubernatorial election, calling
51 for an election to repeal the sales tax imposed under this section, the governing
52 body shall submit to the voters of the district a proposal to repeal the tax. If a
53 majority of the votes cast on the question by the qualified voters voting thereon
54 are in favor of the repeal, the repeal shall become effective on December
55 thirty-first of the calendar year in which such repeal was approved. If a majority
56 of the votes cast on the question by the qualified voters voting thereon are

57 opposed to the repeal, then the sales tax authorized in this section shall remain
58 effective until the question is resubmitted under this section to the qualified
59 voters and the repeal is approved by a majority of the qualified voters voting on
60 the question.

61 6. If the tax is repealed or terminated by any means **other than by a**
62 **dissolution of a hospital district as described in subsection 7 of this**
63 **section**, all funds remaining in the special trust fund shall continue to be used
64 solely for the designated purposes, and the hospital district shall notify the
65 director of the department of revenue of the action at least ninety days before the
66 effective date of the repeal and the director may order retention in the trust fund,
67 for a period of one year, of two percent of the amount collected after receipt of
68 such notice to cover possible refunds or overpayment of the tax and to redeem
69 dishonored checks and drafts deposited to the credit of such accounts. After one
70 year has elapsed after the effective date of abolition of the tax in such district,
71 the director shall remit the balance in the account to the district and close the
72 account of that district. The director shall notify each district of each instance
73 of any amount refunded or any check redeemed from receipts due the district.

74 **7. Upon the dissolution of a hospital district levying a sales tax**
75 **pursuant to this section, the sales tax shall be automatically repealed**
76 **and all funds remaining in the special trust fund shall be distributed**
77 **as follows:**

78 **(1) Twenty-five percent shall be distributed to the county public**
79 **health center established pursuant to sections 205.010 to 205.150; and**

80 **(2) Seventy-five percent shall be distributed to a federally**
81 **qualified health center, as defined in 42 U.S.C. Section 1396d(l)(1) and**
82 **(2), located in the county.**