

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1181**  
**95TH GENERAL ASSEMBLY**

2487L.05C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To amend chapter 205, RSMo, by adding thereto one new section relating to hospital district sales taxes, with an emergency clause.

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

Section A. Chapter 205, RSMo, is amended by adding thereto one new section, to be  
2 known as section 205.202, to read as follows:

**205.202. 1. The governing body of any hospital district established under sections  
2 205.160 to 205.379 in any county of the third classification without a township form of  
3 government and with more than thirteen thousand five hundred but fewer than thirteen  
4 thousand six hundred inhabitants may, by resolution, abolish the property tax levied in  
5 such district under this chapter and impose a sales tax on all retail sales made within the  
6 district which are subject to sales tax under chapter 144, RSMo, however, in no case shall  
7 such hospital district impose the property tax authorized under this chapter and the sales  
8 tax authorized under this section simultaneously. The tax authorized in this section shall  
9 be not more than one percent, and shall be imposed solely for the purpose of funding the  
10 hospital district. The tax authorized in this section shall be in addition to all other sales  
11 taxes imposed by law, and shall be stated separately from all other charges and taxes.**

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 cast on the question by the qualified voters voting thereon are opposed to the question, then  
20 the tax shall not become effective unless and until the question is resubmitted under this  
21 section to the qualified voters and such question is approved by a majority of the qualified  
22 voters voting on the question.

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

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

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

54 until the question is resubmitted under this section to the qualified voters and the repeal  
55 is approved by a majority of the qualified voters voting on the question.

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

Section B. Because immediate action is necessary to allow certain hospital districts to  
2 lower their property tax levies, section A of this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an  
4 emergency act within the meaning of the constitution, and section A of this act shall be in full  
5 force and effect upon its passage and approval.

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