

FIRST REGULAR SESSION

HOUSE BILL NO. 298

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FITZWATER.

0960L.011

D. ADAM CRUMBLISS, Chief Clerk

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.

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Section A. Section 144.032, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 144.032 and 205.205, to read as follows: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 than ten thousand six hundred but fewer than ten thousand seven hundred inhabitants may, by resolution, abolish the property tax authorized in such district under this chapter and impose a sales tax on all retail sales made within the district

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.

6 which are subject to sales tax under chapter 144 and all sales of metered water services,
7 electricity, electrical current and natural, artificial or propane gas, wood, coal, or home
8 heating oil for domestic use only as provided under section 144.032. The tax authorized
9 in this section shall be not more than one percent, and shall be imposed solely for the
10 purpose of funding the hospital district. The tax authorized in this section shall be in
11 addition to all other sales taxes imposed by law, and shall be stated separately from all
12 other charges and taxes.

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

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

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

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42 **If a majority of the votes cast on the question by the qualified voters voting thereon are**
43 **opposed to the repeal, then the sales tax authorized in this section shall remain effective**
44 **until the question is resubmitted under this section to the qualified voters and the repeal**
45 **is approved by a majority of the qualified voters voting on the question.**

46 **5. Whenever the governing body of any hospital district that has adopted the sales**
47 **tax authorized in this section receives a petition, signed by a number of registered voters**
48 **of the district equal to at least ten percent of the number of registered voters of the district**
49 **voting in the last gubernatorial election, calling for an election to repeal the sales tax**
50 **imposed under this section, the governing body shall submit to the voters of the district a**
51 **proposal to repeal the tax. If a majority of the votes cast on the question by the qualified**
52 **voters voting thereon are in favor of the repeal, the repeal shall become effective on**
53 **December thirty-first of the calendar year in which such repeal was approved. If a**
54 **majority of the votes cast on the question by the qualified voters voting thereon are**
55 **opposed to the repeal, then the sales tax authorized in this section shall remain effective**
56 **until the question 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 **6. If the tax is repealed or terminated by any means, all funds remaining in the**
59 **special trust fund shall continue to be used solely for the designated purposes, and the**
60 **hospital district shall notify the director of the department of revenue of the action at least**
61 **ninety days before the effective date of the repeal and the director may order retention in**
62 **the trust fund, for a period of one year, of two percent of the amount collected after receipt**
63 **of such notice to cover possible refunds or overpayment of the tax and to redeem**
64 **dishonored checks and drafts deposited to the credit of such accounts. After one year has**
65 **elapsed after the effective date of abolition of the tax in such district, the director shall**
66 **remit the balance in the account to the district and close the account of that district. The**
67 **director shall notify each district of each instance of any amount refunded or any check**
68 **redeemed from receipts due the district.**