

HB 890 -- FUNDING MO HEALTHNET EXPANSION

SPONSOR: Kratky

This bill specifies that the governing body of any county or the City of St. Louis may impose, by order or ordinance, a sales tax on all retail sales made within the county or city not within a county which are subject to sales tax under Chapter 144, RSMo. The tax must be imposed solely for the purpose of funding MO HealthNet expansion in the county or city not within a county, be in addition to all other sales taxes imposed by law, and be stated separately from all other charges and taxes.

The order or ordinance must not become effective unless the governing body of the county or St. Louis submits to the voters residing within the county or City of St. Louis at a state general, primary, or special election a proposal to authorize the governing body of the county or city not within a county to impose a tax under this section. The bill specifies the form of the ballot of submission for the tax.

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax becomes effective on the first day of the second calendar quarter immediately following notification to the Department of Revenue. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax does not become effective unless and until the question is resubmitted to the qualified voters and such question is approved by a majority of the qualified voters voting on the question.

All revenue collected pursuant to these provisions by the Director of the Department of Revenue on behalf of any county or City of St. Louis, except for 1% for the cost of collection which must be deposited in the newly created MO HealthNet Expansion Fund and used solely for specified purposes.

Moneys in the fund are not to be deemed to be state funds, and must not be commingled with any funds of the state. The director may make refunds from the amounts in the trust fund and credited to the county or City of St. Louis for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of the county or City of St. Louis. Any funds in the special trust fund which are not needed for current expenditures must be invested in the same manner as other funds are invested. Any interest and moneys earned on the investments must be credited to the fund.

On or after the effective date of the tax, the Director of Revenue

is responsible for the administration, collection, enforcement, and operation of the tax. In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies, the governing body of the county or St. Louis may authorize the use of a bracket system similar to that authorized in Section 144.285. This new bracket system must be used where this tax is imposed and apply to all taxable transactions.

Beginning with the effective date of the tax, every retailer in the county or City of St. Louis must add the sales tax to the sale price, and this tax must be a debt of the purchaser to the retailer until paid, and is recoverable at law in the same manner as the purchase price. For purposes of these provisions, all retail sales are deemed to be consummated at the place of business of the retailer.

Any sales tax imposed under these provisions expire seven years after the effective date, unless the tax is repealed under this section before the expiration date provided for in this subsection. The bill specifies the method and form of a ballot of submission to repeal the tax.

Whenever the governing body of any county or the City of St. Louis that has adopted the sales tax receives a petition, signed by 10% of the registered voters of the county or St. Louis voting in the last gubernatorial election, calling for an election to repeal the sales tax, the governing body must submit to the voters of the county or the City of St. Louis a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, the repeal must become effective on December 31st of the calendar year in which the repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section must remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

If the tax is repealed or terminated by any means, all funds remaining in the special trust fund are to continue to be used solely for the designated purposes, and the county or St. Louis must notify the director of the action at least 30 days before the effective date of the repeal and the director may order retention in the trust fund, for a period of one year, of 2% of the amount collected after receipt of the notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts

deposited to the credit of the accounts.

After one year has elapsed after the effective date of abolition of the tax in the county or City of St. Louis, the director must remit the balance in the account to the county or the City of St. Louis and close the account of that county or the City of St. Louis. The director must notify each county or St. Louis of each instance of any amount refunded or any check redeemed from receipts due the county or the City of St. Louis.

All revenue collected must be used by the county or St. Louis for the sole purpose of funding MO HealthNet expansion to cover individuals who have income at or below 138% of the federal poverty level. No county or St. Louis can submit to its voters the tax proposed under these provisions until the state receives a waiver from the federal government authorizing participation in the Medicaid program at the county or St. Louis level. An individual does not qualify for participation in the MO HealthNet program unless he or she has been a resident of his or her county or the City of St. Louis for three years immediately prior to applying for enrollment.

Any county or the City of St. Louis may, after voter approval, levy an annual property tax for the purpose of funding MO HealthNet expansion in the county or City of St. Louis. The bill specifies the form of the ballot of submission. If a majority of the qualified voters voting on the question within the county or St. Louis vote in favor of the tax, the tax must be levied and collected pursuant to these provisions. If a majority of the voters voting on the question within the county or the City of St. Louis vote against the tax, the tax cannot be levied and collected.

The county collector of each county or the City of St. Louis in which the authority is located must collect the property taxes upon all real property and tangible personal property within that county or the City of St. Louis in the same manner as any other property taxes are collected. The governing body of the county or St. Louis must use the proceeds of the tax solely for the purpose of funding MO HealthNet expansion in the county or the City of St. Louis.