

3 Senate Bill No. 2024
4 As Amended

5 SENATE BILL NO. 2024 - By: PRUITT of the Senate and WINCHESTER of
6 the House.

7 [revenue and taxation - sales tax levy by hospital
8 authority - effective date]

9 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

10 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1370.8, as
11 amended by Section 2, Chapter 103, O.S.L. 2004 (68 O.S. Supp. 2005,
12 Section 1370.8), is amended to read as follows:

13 Section 1370.8 A. Any combination of cities, towns and
14 counties, by resolution of their governing boards, may jointly
15 create a hospital authority pursuant to the provisions of Section
16 176 of Title 60 of the Oklahoma Statutes for the purpose of
17 planning, financing and constructing hospitals or related medical
18 facilities located within the boundaries of such cities, towns or
19 counties or for the purpose of generating matching funds for the
20 uncompensated costs associated with the care of Medicaid patients
21 and funds for the uncompensated costs associated with treating
22 indigent patients. An authority created pursuant to the provisions
23 of this subsection shall have the powers granted pursuant to the
24 provisions of Section 176 of Title 60 of the Oklahoma Statutes in

1 addition to the powers granted pursuant to the provisions of this
2 section. The combination of cities, towns and counties creating the
3 authority shall be designated the beneficiary of the authority. The
4 boundaries of the authority shall be coterminous with the boundaries
5 of the cities, towns or counties creating the authority.

6 B. Any hospital authority created pursuant to the provisions of
7 subsection A of this section may levy a sales tax of not to exceed
8 two percent (2%) upon the gross proceeds or gross receipts derived
9 from all sales or services in the cities, towns and counties
10 comprising the authority upon which a consumer's sales tax is levied
11 by this state. Before a sales tax may be levied by the authority,
12 the imposition of the tax shall first be approved by a majority of
13 the registered voters within the boundaries of each of the cities,
14 towns and counties comprising the authority voting thereon at a
15 special election jointly called by the governing boards of the
16 cities, towns and counties comprising the authority. Provided, if a
17 majority of the registered voters of an authority voting fail to
18 approve such a tax, the governing boards of such cities, towns and
19 counties shall not jointly call another special election for such
20 purpose for at least six (6) months. Any sales tax approved by the
21 registered voters of an authority shall be applicable only when the
22 point of sale is within the boundaries or limits of the authority.

1 C. All items that are exempt from the state sales tax shall be
2 exempt from any sales tax levied pursuant to the provisions of this
3 section.

4 D. Any sales tax which may be levied pursuant to the provisions
5 of this section shall be designated for one or more of the purposes
6 ~~of planning, financing and constructing hospitals or related medical~~
7 ~~facilities within the boundaries of the authority prescribed in~~
8 subsection A of this section. The authority shall identify the
9 purpose of the sales tax when it is presented to the voters pursuant
10 to the provisions of this section. The proceeds of any sales tax
11 levied by an authority shall be used only for the purposes for which
12 the sales tax was designated.

13 E. The authority shall identify the duration of the tax when it
14 is presented to the voters pursuant to the provisions of this
15 section.

16 F. An authority created pursuant to the provisions of
17 subsection A of this section may utilize the provisions of the Local
18 Development Act as it relates to the financing of such hospitals or
19 related medical facilities.

20 G. An authority created pursuant to the provisions of
21 subsection A of this section for the purpose of planning, financing
22 and constructing hospitals or related medical facilities shall be
23 dissolved:

1 1. At such time as the planning, financing and constructing of
2 the hospitals or related medical facilities within the boundaries of
3 the authority is completed; and

4 2. At such time as the revenue collected from any taxes levied
5 by the authority is sufficient for payment of any and all expenses
6 incurred by the authority in the planning, financing and
7 constructing of a hospital or related medical facility.

8 H. If the proceeds of any tax levied by an authority pursuant
9 to this section are pledged for the purpose of retiring indebtedness
10 incurred for the specific purpose for which the tax is imposed, the
11 tax shall not be repealed until such time as the indebtedness is
12 retired. Notwithstanding any other provisions of law, any county or
13 hospital authority that has approved a sales tax for the support and
14 operation of a county hospital may continue to collect such tax if
15 such hospital is subsequently sold. Such collection shall only
16 continue if the county or hospital authority remains indebted for
17 the support and operation of such hospital and only until the debt
18 is repaid or for the stated term of the tax, whichever period is
19 shorter. In no event shall the life of the tax be extended beyond
20 the duration approved by the voters of the authority.

21 I. If the revenue collected from any taxes levied by the
22 authority exceeds the amount necessary for payment of any and all
23 expenses incurred by the authority in the planning, financing and

1 constructing of hospitals or related medical facilities, the excess
2 funds shall be apportioned to the general funds of the cities, towns
3 and counties comprising the authority in proportion to the
4 population of each city, town and county.

5 J. If the construction, support, or operation of a hospital is
6 funded through the levy of a sales tax by a county or hospital
7 authority pursuant to this section and such hospital is subsequently
8 sold, the county or hospital authority levying the tax may dissolve
9 the governing board of such hospital at the time of the sale. When
10 the sale of the hospital and dissolution of any governing board is
11 final, the county or hospital authority is thereby relieved of any
12 liability for the operation of such hospital.

13 SECTION 2. This act shall become effective November 1, 2006.

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-22-06 - DO
15 PASS, As Amended and Coauthored.