

SECOND REGULAR SESSION

HOUSE BILL NO. 1975

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRISTOFANELLI.

4994H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 351, RSMo, by adding thereto one new section relating to the permissible conduct of certain businesses.

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

Section A. Chapter 351, RSMo, is amended by adding thereto one new section, to be known as section 351.725, to read as follows:

351.725. 1. Any entity, regardless of how it is currently incorporated, that was initially formed under section 70.220 to provide a public service to both:

(1) A county with a charter form of government and with more than nine hundred fifty thousand inhabitants; and

(2) A city not within a county

that exceeds its initial purpose and contracts or provides a service to any individual, entity, municipality, or political subdivision other than those political subdivisions for which it was initially formed shall be treated as a for-profit corporation under this chapter and shall be subject to all laws and taxes applicable to a for-profit corporation. Such forms of current incorporation shall include, but not be limited to, for-profit corporations, not-for-profit corporations, limited liability companies, limited partnerships, limited liability partnerships, and cooperative associations.

2. Any person may report to the secretary of state if such person believes an entity is violating subsection 1 of this section.

3. The secretary of state shall investigate any report under subsection 2 of this section and may investigate any entity the secretary suspects is violating subsection 1 of this

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.

18 **section. If the secretary determines an entity is violating subsection 1 of this section, the**
19 **secretary shall immediately send notification to the entity. The entity shall have thirty days**
20 **to bring its activities into compliance with subsection 1 of this section and provide the**
21 **secretary with proof thereof. If the secretary does not receive satisfactory proof the entity**
22 **is in compliance, the secretary shall:**

23 **(1) If the entity is registered as a not-for-profit corporation, revoke the entity's not-**
24 **for-profit status;**

25 **(2) Notify the department of revenue that such entity is subject to taxation as a for-**
26 **profit corporation; and**

27 **(3) Notify the entity.**

28 **4. The secretary of state and department of revenue may promulgate rules to**
29 **implement the provisions of this section. Any rule or portion of a rule, as that term is**
30 **defined in section 536.010, that is created under the authority delegated in this section shall**
31 **become effective only if it complies with and is subject to all of the provisions of chapter**
32 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and**
33 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**
34 **to delay the effective date, or to disapprove and annul a rule are subsequently held**
35 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
36 **after August 28, 2018, shall be invalid and void.**

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