



STATE TAX COMMISSION OF MISSOURI

LESTER E COX MEDICAL CENTERS,	)	
	)	
	)	
Complainant,	)	
	)	Appeal No. 23-33033 to 23-33046
v.	)	
	)	23-50502 & 23-50503
BRENT JOHNSON, ASSESSOR,	)	
GREENE COUNTY, MISSOURI,	)	23-64000
	)	
DANNY GRAY, ASSESSOR,	)	
CHRISTIAN COUNTY, MISSOURI,	)	
	)	
JULIE RAYL-GILSTRAP, ASSESSOR,	)	
LACLEDE COUNTY, MISSOURI,	)	
	)	
Respondents.	)	

DECISION AND ORDER

Lester E. Cox Medical Centers (Complainant) appeals the decision of the Greene, Christian and Laclede County Assessors that the subject property did not qualify for exemption from real property tax as of January 1, 2023. The respective assessors determined that the properties were not tax exempt. The respective Boards of Equalization did not change the determination of the respective assessors. Complainant alleges that the activities of Complainant meet the requirements for exemption as provided in Missouri Constitution, Art. 10, Section 6 and Missouri Revised Statute Section 137.100.

These matters were combined for hearing and decision and came on for Hearing before Senior

Hearing Officer Todd D. Wilson on February 23, 2026, via WebEx. The parties filed Pre-Hearing briefs. Complainant was represented by Bryan Wade and Jake Addington. Respondents were represented by Jeremy Shook. The parties stipulated that all exhibits and Written Direct Testimony (WDT) would be received without objection. The parties filed Post-Hearing Briefs and Responses to the opposing party's Post-Hearing Briefs.

Complainant's Exhibits are:

Exhibit	Description	Appeal No.
A	Articles of Incorporation	
B	Amended and Restated Bylaws: Lester E. Cox Medical Centers – Effective 10/01/22	
C	IRS Letter: Lester E. Cox Medical Centers – 09/11/06	
D	MO Tax Exempt Letter: Lester E. Cox Medical Centers – 12/01/24	
E	Form 990: Lester E. Cox Medical Centers - 2020	
F	CoxHealth – Financial Assistance Policy Procedure – Revised 10/2021	
G	Demonstrative Data	
H	Income Statement - 2023	
I	Greene County Personal Property Tax Exemption – CoxHealth – Years 2022-2024	
J	Property Map of CoxHealth Properties Included in Appeal and Exempt from Appeal	
K	Documents RE: CoxHealth Clinic East Battlefield 3525 East Battlefield	23-33043
L	Documents RE: CoxHealth Clinic Chesterfield 3805 South Kansas Expressway	23-33034
M	Documents RE: CoxHealth Clinic Republic 3203 East Old Stone Avenue	23-33035
N	Documents RE: Sunshine Building 1550 East Sunshine	23-33045
O	Documents RE: CoxHealth at Home (Cox HPS of the Ozarks) 2240 West Sunset	23-33038
P	Documents RE: CoxHealth National Building 3660 South National Ave	23-33044
Q	Documents RE: CoxHealth Prosthetics/Orthotics Clinic 2220 West Sunset	23-33036
R	Documents RE: CoxHealth Pediatric Specialty Clinic 1011 Montclair	23-33037
S	Documents RE: CoxHealth Dermatology Clinic 1925 West Chesterfield	23-33040

T	Documents RE: CoxHealth Southern Hills Clinic 2702 East Sunshine	23-33039
U	Documents RE: CoxHealth Elfindale Clinic 1429 West Sunshine	23-33041
V	Documents RE: CoxHealth Hamra Clinic 1819 South National	23-33042
W	Documents RE: CoxHealth Wheeler Parking Garage 1300 E. Bradford	23-33033
X	Documents RE: CoxHealth Turner Center 1000 E Primrose	23-33046
Y	Documents RE: CoxHealth Nixa Clinic 501 North Old Wilderness	23-50502
Z	Documents RE: CoxHealth Ozark Clinic 5100 North Towne Center	23-50503
AA	Documents RE: CoxHealth Clinic Lebanon 510 East Highway 32	23-64000
BB	Documents RE: Laclede Property Charity Care/CoxHealth Clinic Lebanon 510 East Highway 32	23-64000
CC	Documents RE: CoxHealthCare Clinic Lebanon 510 East Highway 32	23-64000

Complainant further offered the WDT and Supplemental WDT of John Chastain, VP of Finance & Revenue for Complainant, which was received without objection. Mr. Chastain discussed the Financial Assistance Plan and the procedure that is followed in its implementation. Mr. Chastain stated that the Financial Assistance Plan is available to all of the patients at all of the properties at which patients are seen in these appeals. Mr. Chastain identified Exhibit J which is a map of southwest Missouri showing the locations of Cox Medical Centers with the exempt facilities in blue letters and the facilities in this appeal in red numbers. Mr. Chastain identified the property numbered 4 in Exhibit J as the Sunshine Building in which is located the audit and compliance group for Cox Health. No patients are seen at this facility, (1550 E Sunshine, appeal 23-33045). Mr. Chastain identified the property numbered 6 in Exhibit J as the National Building, at which the leadership offices for Cox Health are located. No patients are seen at this facility, (3660 S. National Ave, appeal 23-33044). Mr. Chastain identified the property numbered 13 in Exhibit J as the parking facility

located at 1300 E. Bradford Pkwy, which is provided to patients free of charge, (appeal 23-33033). Mr. Chastain stated that the Prosthetics/Orthotics Clinic located at 2220 W Sunset, (appeal 23-33036), did not serve charity patients in 2022 or 2023.

In the First Deposition of Mr. Chastain, Exhibit 27, pages 56-57, there was a discussion regarding the 2020 IRS Form 990 of Complainant, particularly the completion of Schedule J. Question 6 of Schedule J asks, “For persons listed on Form 990, Part VII, Section A, Line 1(a), did the organization pay or accrue any compensation contingent on the net earnings of: (a) The organization?” to which the answer on the form 990 was “Yes”. It was later clarified that this same question and answer were provided on the 2021 and 2022 Form 990 and was true as of January 1, 2023.

In the Supplemental WDT of John Chastain, he stated that no profits inure to the benefit of CoxHealth’s directors, officers, or other private persons. (Page 2, Question 6). Question 7 on Page 2 sets out, “Then why did CoxHealth mark “yes” on Line 6 of Schedule J . . .? Mr. Chastain answered that, “CoxHealth marks this box out of an abundance of caution because, while profits do not inure to the benefit of any director, officer or private person, net income comprises a very small percentage of one of many metrics used to gauge the health of CoxHealth’s system and to assess the effectiveness of CoxHealth’s leadership.” Thereafter in the Supplemental WDT, Mr. Chastain discussed the Pay-for-Performance policy that provides compensation to management and leadership.

Respondent’s Exhibits that were received without objection are:

Exhibit	Description
1	WDT Brent Johnson – Greene County
2	Complainant’s Breakdown of Patient Types (Depo. Ex. 1)
3	Complainant’s Updated Breakdown of Patient Types
4	Complainant’s List of Properties on appeal (Depo. Ex. 2)
5	Financial Statements – Chesterfield (Depo. Ex. 35)
6	Financial Statements – Republic (Depo. Ex. 32)

7	Financial Statements – Prosthetics (Depo. Ex. 30)
8	Financial Statements – Pediatric Specialty Care (Depo. Ex. 25)
9	Financial Statements – Southern Hills (Depo. Ex. 31)
10	Financial Statements – Skin Care and Dermatology (Depo. Ex. 29)
11	Financial Statements – Advantage Care-Hamra (Depo. Ex. 28)
12	Financial Statements – Battlefield (Depo. Ex. 33)
13	Financial Statements – Urgent Care Elfindale (Depo. Ex. 26)
14	Financial Statements – Turner (Depo. Ex. 26)
15	WDT of Danny Gray – Christian County
16	Lester E. Cox Medical Centers Fiscal Year 2021 Form 990 (Depo. Ex. 21)
17	Exemptions Sections of Assessor Manual
18	St. Lukes North Hospital 2020 Schedule J
19	Lester E. Cox Medical Centers Fiscal Year 2023 Form 990 (Depo. Ex. 23)
20	CoxHPS of the Ozarks, Inc. Fiscal Year 2023 Form 990 (Depo. Ex. 45)
21	Financial Statements – Ozark (Depo. Ex. 36)
22	Financial Statements – Nixa (Depo. Ex. 22)
23	WDT of Julie Rayl-Gilstrap, Laclede County
24	Facebook Post Lebanon Urgent Care
25	Financial Statements – Lebanon (Depo. Ex. 38)
26	Deposition Transcript of Lori Leigh Cantrell
27	Transcript of John Chastain’s First Deposition (05/14/25)
28	Transcript of John Chastain’s Second Deposition (07/29/25)

Respondent presented the testimony of Danny Gray, former County Assessor of Christian County, Missouri. Mr. Gray was the Assessor who valued the property and denied the application for exemption from Complainant regarding the Christian County appeals, 23-50502 and 23-50503. Mr. Gray testified that he believed the properties should not be exempt from real estate taxes.

Mr. Gray, in his WDT, Exhibit 15 on pages 2-3, stated that he had reviewed the IRS Form 990 completed by Complainants and noted that for fiscal year 2021, the reported revenue was more than \$1.4 Billion, had a profit of more than \$95 Million and had more than \$800 Million in investments. Mr. Gray also stated that he had noticed that on Schedule J, line 6 of the 2021 and 2023, Forms 990, Complainants state that they paid or accrued compensation to some employees that was contingent on the net earnings of the company. Mr. Gray further testified in his WDT that upon review of the financial statements provided by Complainants for the Christian County appeals, the total dollar amount of charity for 2023 as compared

to the total patient revenue for 2023 is less than 1%.

Respondent presented the testimony of Brent Johnson, County Assessor of Greene County. Mr. Johnson stated that other properties owned by Complainant had been granted exemption from real estate tax in Greene County, but there were differences in the services provided such as hours of operation, accessibility and whether the facility provided emergency care or was an office clinic. Mr. Johnson stated that the Turner Center had offices of Complainant, but other tenants had also rented office space in the building and the amount of use of the building by Complainant and other, non-charity tenants was being determined. Mr. Johnson stated that if only one or a very small number of patients qualified for “charity care”, the entire facility should not be exempt as it does not indicate charitable intention. Mr. Johnson provided WDT, Exhibit 1, after reviewing the financial information of Complainant received in discovery. Exhibit 1 breaks down both the total number of patients that were considered Charity Patients and the total amount of Charity Care as compared to the total amount billed at the facilities. The following tables were produced in Exhibit 1 and are set out in full herein.

Property Name	Total Patients 2022	Total Charity Patients 2022	% Charity Patients 2022	Total Patients 2023	Total Charity Patients 2023	% Charity Patients 2023
CoxHealth Center Chesterfield	14,583	8	0.05%	15,362	9	0.06%
CoxHealth Center Republic	11,203	4	0.04%	13,749	4	0.03%
CoxHealth Center for Prosthetics and Orthotics	Unknown	Unknown		Unknown	Unknown	
CoxHealth at Home (Sunset)	Unknown	Unknown		Unknown	Unknown	
Pediatric Specialty Clinic	3,793	1	0.03%	4,246	1	0.02%
CoxHealth Center Southern Hills	2,210	2	0.09%	1,814	1	0.06%
Cox Skin Care Clinic (Dermatology)	8,092	5	0.06%	7,446	3	0.04%
National/Sunshine Advantage Care Clinic/Hamra	Not Open	Not Open		7,086	223	3.15%

Center)						
CoxHealth East Battlefield Clinic	13,359	199	1.49%	21,824	447	2.05%
Urgent Care Elfindale	13,501	1,173	8.69%	14,440	1,052	7.29%
Turner Building	72,812	3,525	4.78%	78,192	2,987	3.82%

Property Name	Total Patient Revenue Before Deductions from Revenue	Total Charity 2023	% of Charity 2023
CoxHealth Center Chesterfield	\$8,906,447.56	\$728.48	0.01%
CoxHealth Center Republic	\$10,343,180.12	\$838.35	0.01%
CoxHealth Center for Prosthetics and Orthotics	\$3,8941.89	\$0.00	0.00%
CoxHealth at Home (Sunset)	Unknown	Unknown	
Pediatric Specialty Clinic	\$3,151,213.50	\$557.27	0.02%
CoxHealth Center Southern Hills	\$1,374,413.50	\$119.00	0.01%
National/Sunshine (Advantage Care Clinic/Hamra Center)	\$6,677,672.03	\$48,284.93	0.72%
CoxHealth East Battlefield Clinic	\$10,804,843.49	\$88,821.57	0.82%
Urgent Care Elfindale	\$4,825,613.81	\$245,661.70	5.09%
Turner Building	\$77,674,207.73	\$41,636.32	0.05%

Respondent then presented the testimony of Julie Rayl-Gilstrap, the Laclede County Assessor. Ms. Rayl-Gilstrap disputed the facts set forth by Complainant concerning the location of the Urgent Care in Laclede County as of January 1, 2023. Ms. Rayl-Gilstrap in her WDT, Exhibit 23, testified that she is familiar with the Urgent Care in Lebanon, Laclede County, and that it did not move to its present location until July of 2024 as stated in the Facebook post announcing the move, Exhibit 24. Ms. Rayl-Gilstrap stated that in 2023, the Urgent Care in Lebanon, Missouri was located at 1206 Deadra Drive which is a property not involved in these appeals. The Urgent Care in Lebanon moved to 510 E. Highway 32 in July of 2024; therefore, none of the information from the Urgent Care in Lebanon should be considered in these appeals. Complainant provided information that \$110,444.29 in charity care was provided at the Laclede

County facilities in 2023. Ms. Rayl-Gilstrap, by examining Exhibit 25, was able to determine that of that amount, \$109,899.06 of the charity care was provided at the Urgent Care, located at 1206 Deadra Drive; leaving charity care of \$545.23 from the Lebanon Clinic which is the property subject to these appeals in 2023.

Background

Complainant's predecessor, Burge Hospital, was founded in 1923 as a Non-Profit hospital in Springfield, Missouri. The Articles of Association have been amended from time to time, but have always retained Non-Profit status. Complainant is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) and as a hospital under sections 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code. The Articles have standard provisions for a Not-for-Profit corporation in that there are no members and no part of the net earnings may inure to the benefit of, or be distributable to the Directors, Officers, or other private persons.

These appeals involve seventeen different commercial sites in three counties, most of which sites have buildings used as medical clinics by Complainant or a wholly owned subsidiary of Complainant. The properties are set out below with the Appeal number, address, parcel number and total value as set by the respective BOE:

Appeal Number	Address	Parcel Number	Value for 2023
23-33033	1300 E Bradford Parkway	19-07-209-007	7,035,700
23-33034	3805 S. Kansas Expressway	18-10-401-201	3,462,500
23-33035	3203 East Old Stone Ave	17-10-400-026	3,030,700
23-33036	2220 W Sunset St.	18-03-101-130	1,909,900
23-33037	1011 E Montclair St.	18-01-406-109	1,806,800
23-33038	2240 W Sunset St.	18-03-201-042	4,162,400
23-33039	2702 E Sunshine St.	12-33-202-027	619,000
23-33040	1925 W Chesterfield Blvd	18-10-101-081	652,600
23-33041	1429 W Sunshine St.	13-26-305-021	597,700

23-33042	1819 S. National Ave	13-36-101-041	6,112,000
23-33043	3525 E. Battlefield Rd	19-03-201-003	9,708,500
23-33044	3660 S. National Ave	19-07-208-003	2,053,200
23-33045	1550 E Sunshine St.	12-31-103-115	2,521,700
23-33046	1000 E. Primrose	18-12-107-046	16,319,600
23-50502	501 N Old Wilderness Road	10-0.6-14-001-005-007.000	6,297,000
23-50503	5100 N Towne Centre Dr.	11-0.2-04-000-000-092.000	5,113,400
23-64000	510 E State Highway 32	13-6.0-13-001-001-004.005	664,900

The respective Assessor determined the TVM of the properties and denied the application for exemption of Complainant. The respective BOE also denied the application for exemption. Complainant is not challenging the valuation of the properties but is claiming that all of the properties should be exempt. The property in Appeal 23-33046 has been determined by Greene County Assessor and the BOE to be 62% exempt, Complainant believes that it should be 82% exempt.

1. FINDINGS OF FACT

Lester E. Cox Medical Centers is a not-for-profit corporation with no members. It is formed to operate hospitals and other facilities for the provision of medical care in southern Missouri. It timely files form 990 with the IRS. Its articles of organization require that no profit is distributed to any individual person or entity. Complainant's central administration and operational hub is in Springfield, Greene County, Missouri. Fourteen of the properties in these appeals are located in Greene County, Missouri, with two in Christian County and one in Laclede County. The properties are owned by Complainant or a wholly owned subsidiary of Complainant. Most of the properties are clinics that provide medical services with some Urgent Care clinics, and three properties in which patients are not seen. Complainant is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) and as a hospital under sections 509(a)(1) and

170(b)(1)(A)(iii) of the Internal Revenue Code.

For a hospital to maintain the exemption under 501(c)(3), it must comply with section 501(r) and Revenue Ruling 69-545. Section 501(r) requires four general requirements which are:

1. Establish written financial assistance and emergency medical care policies;
2. Limit amounts charged for emergency or other medically necessary care to individuals eligible for assistance under the hospital's financial assistance policy;
3. Make reasonable efforts to determine whether an individual is eligible for assistance under the hospital's financial assistance policy before engaging in extraordinary collection actions against the individual; and
4. Conduct a community health needs assessment and adopt an implementation strategy at least once every three years.

Revenue Ruling 69-545 specifically removes the requirement of hospitals to care for patients without charge or at rates below cost in order to continue to qualify as an exempt organization under 501(c)(3) of the Internal Revenue Code.

Complainant has a Financial Assistance Program (FAP) which is contained in Exhibit F. There are also explanations of the Charity Care Policy in the schedules of the Form 990 submitted as part of Exhibit E. Relevant parts of the explanation of the policy found on pages 73 and 74 of Exhibit E are as follows:

Eligibility for free care:

In general, the organization's charity care policy does not provide for discounts of 100%. Therefore, it is expected that the patient or guarantor will hold a responsibility for payment of at least a portion of the services, regardless of the level of eligibility. It is our intention to work with individuals on their out-of-pocket responsibility to establish feasible monthly payments when necessary.

In the event that a patient or guarantor is determined to have no means of paying the

amount indicated as their responsibility due to extenuating circumstances, consideration may be given to waiving deductibles and/or increasing the discount up to a 100% discount of the patient portion. These extenuating cases are subject to the discretion and approval of the PFS director and/or the chief financial officer within the approval limits defined at the end of the policy.

Other criteria used to determine financial assistance eligibility: Medical hardship may also be used to determine financial eligibility. Coxhealth shall make a decision about a patient/guarantor's medical hardship by reviewing the financial assistance application, including accompanying financial documentation, in addition to other relevant documentation that supports the medical hardship of the patient.

Exhibit E, page 85 also gives an explanation of the organization's charity care:

Eligibility for Free Care:

In general, the organization's charity care policy does not provide for discounts of 100%. Therefore, it is expected that the patient or guarantor will hold a responsibility for payment of at least a portion of the services, regardless of the level of eligibility. It is our intention to work with individuals on their out-of-pocket responsibility to establish feasible monthly payments when necessary.

In the event that a patient or guarantor is determined to have no means of paying the amount indicated as their responsibility due to extenuating circumstances, consideration may be given to waiving deductibles and/or increasing the discount up to a 100% discount of the patient portion. These extenuating cases are subject to the discretion and approval of the PFS director and/or the chief financial officer within the approval limits defined at the end of the policy.

The clinics in these appeals are not emergency health facilities, they do not provide for overnight stays in the facility, and are open only for set office times.

On Form 990 filed for the time relevant to this appeal, Complainant answered Schedule J, Question 6(a) as Yes. The Question reads: "For persons listed on Form 990, Part VII, Section A, line 1a. did the organization pay or accrue any compensation contingent of the revenues of: a The Organization?" which then requires an Explanation in Schedule III, in which is sets out that, "Key employees have net earnings as one component of a balanced scorecard metric contained within

the bonus program. Employed physicians are paid based on a salary, a formula using collections and expenses, . . .” According to Exhibit 19, Page 57, the 2022 Form 990 for Complainant, bonuses were paid to 13 individuals and ranged from \$8,767 to \$414,960 with an average of \$72,445.

In 2023, the reimbursement rates that Complainant received for Medicaid patients exceeded the reimbursement rates that Complainant received for Medicare patients. Exhibits K-AA.

2. Complainant’s Argument

Complainant maintains that the properties meet the three factors of the *Franciscan Tertiary Province of Missouri, Inc. v. State Tax Commission*, 566 S.W.2d 213, 219 (Mo. 1978) and its progeny which are: (1) is “owned and operated on a not-for-profit basis so that there can be no profit, presently or prospectively, to individuals or corporations;” (2) “dedicated unconditionally to the charitable activity” per the definition of “charity” set forth in *Salvation Army v. Hoehn*, 188 S.W.2d 826, 830 (Mo. Banc 1945); and (3) that “the dominant use of the property must be for the benefit of an indefinite number of people” and directly or indirectly benefits society generally.

Complainant maintains that it meets the first factor, the clinics are owned and operated on a not-for-profit basis, because it is a not-for-profit, charitable organization recognized for exemption under Section 501(c)(3) of the Internal Revenue Code.

Complainant maintains that it meets the second factor, exclusive use of the property for charitable purposes by providing healthcare services that are medically necessary to any patient irrespective of the patient’s ability to pay. Complainant points out that the language, “used exclusively for purposes purely charitable,” as used in *Franciscan*, is not a literal interpretation of exclusively, but actually refers to the primary and inherent use as against a mere secondary and incidental one. *Barnes Hospital v. Leggett*, 646 S.W.2d 889 at 892.

Complainant maintains that it meets the third factor, that the dominant use of the property must be for the benefit of an indefinite number of people and directly or indirectly benefits society generally. Complainant maintains that it does this in two ways, first by providing necessary care to people without regard to their income and, second, by participating in a Community Health Needs Assessment every 3 years to determine the needs of the communities in which they have facilities. From the Needs Assessment, a Community Health Improvement Plan was developed and Complainant has taken actionable steps to address the needs identified.

3. **Respondent's Argument.** Respondent argues that simply being recognized by the IRS under 501(c)(3) is not sufficient for the organization's property to be exempt from real estate taxes in Missouri. Respondent argues that the law requires that the properties be "dedicated unconditionally to the charitable activity," under the *Franciscan* test. 566 S.W.2d 213, 223-224. Respondent contends that Complainant fails to meet the first and second prongs of the *Franciscan* test because the organization on its Form 990, Schedule J, Question 6(a), answered "Yes" to the question, "Did the organization pay or accrue any compensation contingent on the net earnings of the organization?", (Exhibit E at Page 107). Respondent contends that this shows that the Complainant pays bonuses contingent upon the profitability of the organization and this shows that the Complainant has not dedicated its properties unconditionally to charitable activity.

Respondent contends that the Complainant also fails the second prong of the *Franciscan* test, exclusive use of the property for charitable purposes, because the amount of "charity care" provided in most of the facilities is such a small percentage of the care provided, it is more readily described as an organization that has dedicated the properties to providing medical care and any charity is incidental thereto. Respondent contends that for this reason, Complainant fails the second prong of the *Franciscan* test because their actions do not rise to the level of charity that is defined in *Salvation Army*.

Respondent contends that Complainant fails the third prong of the *Franciscan* test, that the

dominant use of the property must be for the benefit of an indefinite number of people and directly or indirectly benefits society generally. Respondent points out that none of the properties in these appeals are hospitals and that if Complainant did not treat those few people who receive charity care at the facilities in these appeals, the people would be able to go to a hospital and receive care.

CONCLUSIONS OF LAW

1. **Evidence.** “Although technical rules of evidence are not controlling in administrative hearings, fundamental rules of evidence are applicable.” *Mo. Church of Scientology v. State Tax Comm’n*, 560 S.W.2d 837, 839 (Mo. Banc 1977). The hearing officer is the finder of fact and determines the credibility and weight of the evidence. *Kelly 8 v. Mo. Dep’t of Soc. Servs., Family Support Div.*, 456 S.W.3d 107, 111 (Mo. App. W.D. 2015).

2. **Prior STC Decisions.** “STC decisions and orders are non-binding, persuasive authority aiding the consistent disposition of factually analogous cases.” *Tuba v. Zimmerman*, Appeal No. 21-18285, 2022 WL 16841480 at• 6 (Mo. St. Tax Com. Nov. 4, 2022) (emphasis added); *see also Laclede Gas Co. ‘s Verified Application to Re-Establish & Extend the Fin. Auth. Previously Approved By the Comm ‘n v. Mo. Pub. Serv. Comm ‘n*, 526 S.W.3d 245, 252 (Mo. Ct. App. W.D. 2017) (an administrative agency, such as the STC, “is not bound by its previous decisions, so long as its current decision is not otherwise unreasonable or unlawful.”).

3. **Charitable Exemption:** Article X, section 6 of the Missouri Constitution provides “all property, real and personal, not held for private or corporate profit and used exclusively . . . for purposes purely charitable . . . may be exempted from taxation by general law.” Consistent with this constitutional provision, Section 137.100(5) exempts from taxation:

All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but

held or used as investment even though the income or rentals received therefrom is used wholly for religious, educational or charitable purposes[.]

“Tax exemptions are construed strictly against the taxpayer, and any doubt must be resolved in favor of application of the tax.” *SEBA, LLC v. Dir. Of Revenue*, 611 S.W.3d 303, 313–14 (Mo. Banc 2020). Exemptions are “allowed only upon clear and unequivocal proof, and any doubts are resolved against the party claiming it.” *Id.* (internal quotation omitted).¹

To obtain a charitable exemption, the taxpayer must show the property: (1) is “owned and operated on a not-for-profit basis so that there can be no profit, presently or prospectively, to individuals or corporations;” (2) “dedicated unconditionally to the charitable activity” per the definition of “charity” set forth in *Salvation Army v. Hoehn*, 188 S.W.2d 826, 830 (Mo. Banc 1945); and (3) that “the dominant use of the property must be for the benefit of an indefinite number of people” and directly or indirectly benefits society generally. *Sunday School Bd. Of the Southern Baptist Conv. V. Mitchell*, 658 S.W.2d 1, 5 (Mo. Banc 1983) (citing *Franciscan Tertiary Province of Missouri. Inc. v. State Tax Comm’n*, 566 S.W.2d 213 (Mo. Banc 1978)), (hereinafter “*Baptist Bookstore*”). The Court thus made it clear that the language of the charitable exemption provisions “makes the use of the property the focus of the exemption” and that the “general nature of owning organization—other than that it is not-for-profit—cannot be ¹said to determine whether the use of the particular property is charitable or not.” *Franciscan*, 566 S.W.2d at 223.

It is not enough, however, that the profits are ultimately used for religious or charitable

¹ See also *Am. Polled Hereford Ass’n v. City of Kansas City*, 626 S.W.2d 237, 240 (Mo. Banc 1982)(noting the taxpayer bears the burden of establishing a property tax exemption “by unequivocal proof that such release is required by the terms of the statute....”); *City of St. Louis v. State Tax Comm’n*, 524 S.W.2d 839, 845 (Mo. Banc 1975)(noting the taxpayer claiming a charitable exemption must make “a clear and convincing showing that the specific activity in question does fall within an accepted category found in the definition”).

purposes. “[A]n exemption will not be granted covering property which houses a business operated for the purpose of gaining a profit, even though it is turned over to a parent organization to be used for what are admittedly independently religious or charitable purposes. *Franciscan*, 566 S.W.2d at 224. Otherwise the exception could swallow the general rule if the profits from any enterprise, be it charitable or not, were ultimately used for charitable purposes. There must be a more significant nexus between profits earned through use of the property for which an exemption is sought and the use that is made of those profits. A business cannot compete for profit and then seek to insulate itself from taxation by claiming that its profits are used to attain a religious or charitable purpose. *Baptist Bookstore*, Page 6.

In *Tri-State Osteopathic Hosp. Ass’n v. Blakeley*, 898 S.W.2d 693 at 695, there was a contractual provision between the doctor and the hospital providing a division of profits of the clinic run by the doctor. The clinic had not made a profit since it had been purchased by the Hospital. The Court found that, “The contractual provision providing for the division of profits, however, indicates that the clinic was not dedicated unconditionally to charitable activities so that there will be no profit, at least perspectively, to individuals or corporations as required under the *Franciscan* interpretation of Section 137.100(5).” The Court then went on to state, “Obviously, the requirement that there be no prospective profit to an individual from the operation of the property was not satisfied in the instant case.” *Id.* By these statements, the Court appears to state that both the first and second prong of the *Franciscan* test failed; there was a possibility of profit to an individual – first prong; and, because there was a possibility of profit to an individual, the property was not dedicated unconditionally to charitable activities – second prong.

4. Definition of Charity: The definition of “charity” which originated in *Salvation Army v. Hoehn*, 188 S.W.2d 826, 830 and approved by *Franciscan Tertiary Province of Missouri, Inc. v.*

State Tax Commission, 566 S.W.2d 213, 220 is:

Probably the most comprehensive and carefully drawn definition of a charity that has ever been formulated is that it is a gift, to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life, or by erecting or maintaining public buildings or works or otherwise lessening the burdens of government. . . A charity may restrict its admission to a class of humanity, and still be public, it may be for the blind, the mute, those suffering under special diseases, for the aged, for infants, for women, for men, for different callings or trades by which humanity earns its bread, and as long as the classification is determined by some distinction which involuntarily affects or may affect any of the whole people, although only a small number may be directly benefited, it is public.

5. Hospital Exemption. A corporation the object of which is to provide a general hospital for sick persons, having no capital stock or provision for making dividends or profits, deriving its funds mainly from public and private charity and holding them in trust for the object of sustaining the hospital, and conducting its affairs for the purpose of administering to the comfort of the sick, without expectation or right on the part of those immediately interested in the corporation to receive compensation for their own benefit, is a public charitable institution. Moreover, the facts that a corporation established for the maintenance of a public hospital, by its rules requires of its patients payment for their board according to their circumstances and the accommodation they receive, that no person has individually a right to demand admission, and the trustees of the hospital determine who are to be received, do not render it the less a public charity. *Community Memorial Hospital v. City of Moberly*, 422 S.W.2d 290, 295

Such considerations as whether a profit or loss was in fact realized or sustained, *Young Men's Christian Ass'n etc. v. Sestric* 242 S.W.23d 497, 505, or that some competition with private business exists, *Missouri Goodwill Industries v. Gruner*, 210 S.W.2d 38, 41, or that pay patients are

admitted for treatment *Northeast Osteopathic Hospital v. Keitel*, 197 S.W.2d 970, 975, or that a large part of its revenue is derived from pay patients, *Nicholas v. Evangelical Deaconess Home and Hospital*, 219 S.W. 643, 646, are not determinative if, from all the evidence, it may be fairly said that the actual use made of the corporation's property is consistent with the nonprofit feature and charitable purposes expressed in the corporation's articles of agreement. *Community Memorial Hospital v. City of Moberly*, 422 S.W.2d 290, 296

The existing law in the state of Missouri is clearly discernible, i.e., providing of hospital facilities for the sick in a non-profit manner rises to a charitable purpose tax-exempt status if the same is available to both rich and poor. *Callaway Community Hospital Ass'n v. Craighead*, 759 S.W.2d 253, 256; referencing *Jackson County v. State Tax Commission*, 521 S.W.2d 378, 383.

No case has imposed a requirement that a hospital serve a certain number of indigent patients. *Callaway Community Hospital Ass'n v. Craighead*, 759 S.W.2d 253, 256.

6. Indefinite number of people (third prong of *Franciscan* test). In *Barnes Hospital v. Leggett*, 646 S.W.2d 889 at 893, the Court of Appeals determined that a St. Louis hospital provided benefit to an indefinite number of people because the duties of the hospital staff benefited the public and that if the hospital did not provide those services, the state or municipality would, generally, have to assume the care of the indigent and helpless. By providing care to the indigent and helpless, the burden on the government is reduced and the third prong is met.

In *Community Park Village, Inc. v. State Tax Comm'n*, 652 S.W.2d 179, at 181-2, the Western District Court of Appeals explained the third prong in this way:

The use of the property taken from the tax rolls must relieve some public obligation as by reducing the likelihood that persons will become public charges or will be forced into living conditions conducive to increasing society's problems. In some measure, the third element extracts a quid pro quo in consideration for tax relief.

DISCUSSION

There is no dispute that Complainant is a Not-for-profit corporation. It does not have shareholders and any profits of the corporation by the terms of its Articles of Organization cannot inure to the benefit of any director or officer of the corporation. Complainant timely files form 990 with the IRS and maintains its status as a charitable corporation under section 501(c)(3) of the Internal Revenue Code. Simply being recognized by the IRS as a charitable organization is not sufficient to meet the requirements of Missouri law for an exemption for real estate taxes, it must meet the *Franciscan* requirements set forth by the Court.

Complainant pays some of its leadership team bonuses based in part on the net earnings of the organization as shown on the Form 990, Schedule J, Question 6. (Exhibit E, Exhibit 19).

In the Supplemental WDT of John Chastain, he stated that no profits inure to the benefit of CoxHealth's directors, officers, or other private persons. (Page 2, Question 6). Question 7 on Page 2 sets out, "Then why did CoxHealth mark "yes" on Line 6 of Schedule J . . .? Mr. Chastain answered that, "CoxHealth marks this box out of an abundance of caution because, while profits do not inure to the benefit of any director, officer or private person, net income comprises a very small percentage of one of many metrics used to gauge the health of CoxHealth's system and to assess the effectiveness of CoxHealth's leadership."

In *Tri-State Osteopathic Hospital Ass'n v. Blakeley*, 898 S.W.2d 693 at 695, the Southern District of the Court of Appeals found that a contractual agreement between a doctor and the hospital that divided prospective profits, (which had never occurred at the clinic since it was purchased by the hospital), indicated that the property failed the requirement that there be no prospective profit to an individual from the operation of the property; therefore, the clinic was not dedicated unconditionally to charitable activities and did not qualify for an exemption from real estate taxes. Net earnings is synonymous with profit. On the 2022 form 990, Complainant reported bonuses paid to 13 people ranging from \$8,767 to \$414,960 with an average bonus of \$72,445.

Tax exemptions are construed strictly against the taxpayer, and any doubt must be resolved in favor of application of the tax.” *SEBA, LLC v. Dir. Of Revenue*, 611 S.W.3d 303, 313–14 (Mo. Banc 2020). Exemptions are “allowed only upon clear and unequivocal proof, and any doubts are resolved against the party claiming it.” *Id.* It is hereby found that the testimony regarding the bonus pay to some individuals in the organization based partly on the net income or profit of the organization along with the affirmative answer on Form 990, Schedule J, Question 6 creates a doubt as to whether a prospective profit could be paid to an individual and whether the properties were dedicated unconditionally to charitable activities. Since there is not clear and unequivocal proof, the question of exemption must be resolved against the party claiming it. The properties of Complainant are not exempt from taxation.

There is no need to discuss the remaining factors raised by the parties.

CONCLUSION AND ORDER

The decisions of the respective Boards of Equalization are affirmed. The properties are commercial and valued as set out in the table previously. The property in appeal 23-33046 was determined by the BOE to be 62% exempt and that decision is affirmed.

APPLICATION FOR REVIEW

A party may file an application for review of this decision within 30 days of the mailing date set forth in the certificate of service for this decision. The application "shall contain specific detailed grounds upon which it is claimed the decision is erroneous." Section 138.432. The application must be in writing, and may be mailed to the State Tax Commission of Missouri, P.O. Box 146, Jefferson City, MO 65102-0146, or emailed to Legal@stc.mo.gov. A copy of the application must be sent to each person listed below in the certificate of service. ***Failure to state specific facts or law upon which the application for review is based will result in summary***

denial. Section 138.432.

Disputed Taxes

The Collectors of Greene, Christian and Laclede Counties, and the collectors of all affected political subdivisions therein, shall continue to hold the disputed taxes pending the possible filing of an application for review, unless the disputed taxes have been disbursed pursuant to a court order under the provisions of section 139.031.

SO ORDERED August 18, 2026.

STATE TAX COMMISSION OF MISSOURI

Todd D. Wilson
Senior Hearing Officer

Certificate of Service

I hereby certify that a copy of the foregoing has been electronically mailed and/or sent by U.S. Mail on Friday, August 21st, 2026, to: Complainant(s) and/or Counsel for Complainant(s), the County Assessor and/or Counsel for Respondent and County Collector.

Stacy M. Ingle
Legal Assistant