

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

**Offered By**

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 15, Page 1, Lines 2  
2 and 3 of the Title, by deleting the words "a commission to study state tax liability"; and inserting in  
3 lieu thereof the words "taxation"; and  
4

5 Further amend said bill, Page 1, Section A, Line 2, by inserting after all of said line the following:

6 "66.620. 1. All county sales taxes collected by the director of revenue under sections 66.600  
7 to 66.630 on behalf of any county, less one percent for cost of collection which shall be deposited in  
8 the state's general revenue fund after payment of premiums for surety bonds as provided in section  
9 32.087, shall be deposited in a special trust fund, which is hereby created, to be known as the  
10 "County Sales Tax Trust Fund". The moneys in the county sales tax trust fund shall not be deemed  
11 to be state funds and shall not be commingled with any funds of the state. The director of revenue  
12 shall keep accurate records of the amount of money in the trust fund which was collected in each  
13 county imposing a county sales tax, and the records shall be open to the inspection of officers of the  
14 county and the public. Not later than the tenth day of each month, the director of revenue shall  
15 distribute all moneys deposited in the trust fund during the preceding month to the county which  
16 levied the tax; such funds shall be deposited with the [county] treasurer of the county and all  
17 expenditures of funds arising from the county sales tax trust fund shall be by an appropriation act to  
18 be enacted by the legislative council of the county, and to the cities, towns and villages located  
19 wholly or partly within the county which levied the tax in the manner as set forth in sections 66.600  
20 to 66.630.

21 2. In any county not adopting an additional sales tax and alternate distribution system as  
22 provided in section 67.581, for the purposes of distributing the county sales tax, the county shall be  
23 divided into two groups, "Group A" and "Group B". Group A shall consist of all cities, towns and  
24 villages which are located wholly or partly within the county which levied the tax and which had a  
25 city sales tax in effect under the provisions of sections 94.500 to 94.550 on the day prior to the  
26 adoption of the county sales tax ordinance, except that beginning January 1, 1980, group A shall  
27 consist of all cities, towns and villages which are located wholly or partly within the county which  
28 levied the tax and which had a city sales tax approved by the voters of such city under the provisions  
29 of sections 94.500 to 94.550 on the day prior to the effective date of the county sales tax. For the  
30 purposes of determining the location of consummation of sales for distribution of funds to cities,  
31 towns and villages in group A, the boundaries of any such city, town or village shall be the boundary  
32 of that city, town or village as it existed on March 19, 1984. Group B shall consist of all cities,  
33 towns and villages which are located wholly or partly within the county which levied the tax and  
34 which did not have a city sales tax in effect under the provisions of sections 94.500 to 94.550 on the  
35 day prior to the adoption of the county sales tax ordinance, and shall also include all unincorporated  
36 areas of the county which levied the tax; except that, beginning January 1, 1980, group B shall

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1 consist of all cities, towns and villages which are located wholly or partly within the county which  
2 levied the tax and which did not have a city sales tax approved by the voters of such city under the  
3 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the county sales tax  
4 and shall also include all unincorporated areas of the county which levied the tax.

5 3. Until January 1, 1994, the director of revenue shall distribute to the cities, towns and  
6 villages in group A the taxes based on the location in which the sales were deemed consummated  
7 under section 66.630 and subsection 12 of section 32.087. Except for distribution governed by  
8 section 66.630, after deducting the distribution to the cities, towns and villages in group A, the  
9 director of revenue shall distribute the remaining funds in the county sales tax trust fund to the cities,  
10 towns and villages and the county in group B as follows: To the county which levied the tax, a  
11 percentage of the distributable revenue equal to the percentage ratio that the population of the  
12 unincorporated areas of the county bears to the total population of group B; and to each city, town or  
13 village in group B located wholly within the taxing county, a percentage of the distributable revenue  
14 equal to the percentage ratio that the population of such city, town or village bears to the total  
15 population of group B; and to each city, town or village located partly within the taxing county, a  
16 percentage of the distributable revenue equal to the percentage ratio that the population of that part  
17 of the city, town or village located within the taxing county bears to the total population of group B.

18 4. From [and after] January 1, 1994, ~~until December 31, 2015~~, the director of revenue shall  
19 distribute to the cities, towns and villages in group A a portion of the taxes based on the location in  
20 which the sales were deemed consummated under section 66.630 and subsection 12 of section  
21 32.087 in accordance with the formula described in this subsection. After deducting the distribution  
22 to the cities, towns and villages in group A, the director of revenue shall distribute funds in the  
23 county sales tax trust fund to the cities, towns and villages and the county in group B as follows: To  
24 the county which levied the tax, ten percent multiplied by the percentage of the population of  
25 unincorporated county which has been annexed or incorporated since April 1, 1993, multiplied by  
26 the total of all sales tax revenues countywide, and a percentage of the remaining distributable  
27 revenue equal to the percentage ratio that the population of unincorporated areas of the county bears  
28 to the total population of group B; and to each city, town or village in group B located wholly within  
29 the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio  
30 that the population of such city, town or village bears to the total population of group B; and to each  
31 city, town or village located partly within the taxing county, a percentage of the remaining  
32 distributable revenue equal to the percentage ratio that the population of that part of the city, town or  
33 village located within the taxing county bears to the total population of group B.

34 5. (1) From and after January 1, 2016, the director of revenue shall distribute to the cities,  
35 towns, and villages in group A a portion of the taxes based on the location in which the sales were  
36 deemed consummated under section 66.630 and subsection 12 of section 32.087, in accordance with  
37 the formula described in this subsection. After deducting the distribution to the cities, towns, and  
38 villages in group A, the director of revenue shall distribute funds in the county sales tax trust fund to  
39 the cities, towns, and villages, and the county in group B as follows: to the county which levied the  
40 tax, ten percent multiplied by the percentage of the population of unincorporated county which has  
41 been annexed or incorporated since April 1, 1993, multiplied by the total of all sales tax revenues  
42 countywide, and a percentage of the remaining distributable revenue equal to the percentage ratio  
43 that the population of unincorporated areas of the county bears to the total population of group B as  
44 adjusted such that no city, town, or village in group B shall receive a distribution that is less than  
45 fifty percent of the amount of taxes generated within such city, town, or village based on the location  
46 in which the sales were deemed consummated under section 66.630 and subsection 12 of section  
47 32.087; and to each city, town, or village in group B located wholly within the taxing county, a  
48 percentage of the remaining distributable revenue equal to the percentage ratio that the population of

1 such city, town, or village bears to the total population of group B, as adjusted such that no city,  
2 town, or village in group B shall receive a distribution that is less than fifty percent of the amount of  
3 taxes generated within such city, town, or village based on the location in which the sales were  
4 deemed consummated under section 66.630 and subsection 12 of section 32.087; and to each city,  
5 town, or village located partly within the taxing county, a percentage of the remaining distributable  
6 revenue equal to the percentage ratio that the population of that part of the city, town, or village  
7 located within the taxing county bears to the total population of group B, as adjusted such that no  
8 city, town, or village in group B shall receive a distribution that is less than fifty percent of the  
9 amount of taxes generated within such city, town, or village based on the location in which the sales  
10 were deemed consummated under section 66.630 and subsection 12 of section 32.087.

11 (2) For purposes of making any adjustment required by this subsection, the director of  
12 revenue shall, prior to any distribution to the county or to each city, town, or village in group B  
13 located wholly or partly within the taxing county, identify each city, town, or village in group B  
14 located wholly or partly within the taxing county that would receive a distribution that is less than  
15 fifty percent of the amount of taxes generated within such city, town, or village based on the location  
16 in which the sales were deemed consummated under section 66.630 and subsection 12 of section  
17 32.087 if no adjustment were made and calculate the difference between the amount that the  
18 distribution to each such city, town, or village would have been without any adjustment and the  
19 amount that equals fifty percent of the amount of taxes generated within such city, town, or village  
20 based on the location in which the sales were deemed consummated under section 66.630 and  
21 subsection 12 of section 32.087. The director of revenue shall then deduct the amount of such  
22 difference from the remaining distributable revenue and distribute the amount of such difference to  
23 each such city, town, or village that would otherwise have received a distribution that is less than  
24 fifty percent of the amount of taxes generated within such city, town, or village based on the location  
25 in which the sales were deemed consummated under section 66.630 and subsection 12 of section  
26 32.087 if no adjustment were made. Thereafter, the director of revenue shall distribute the  
27 remaining distributable revenue, as adjusted, to the county and to each city, town, or village in group  
28 B located wholly or partly within the taxing county in the manner provided in this subsection.

29 (3) For purposes of this subsection, if a city, town, or village is partly in group A and partly  
30 in group B, the director of revenue shall calculate fifty percent of the amount of taxes generated  
31 within such city, town, or village based on the location in which the sales were deemed consummated  
32 under section 66.630 and subsection 12 of section 32.087 by multiplying fifty percent by the amount  
33 of all county sales taxes collected by the director of revenue under sections 66.600 to 66.630, less  
34 one percent for cost of collection, that are generated within such city, town, or village based on the  
35 location in which the sales were deemed consummated under section 66.630 and subsection 12 of  
36 section 32.087, regardless of whether such taxes are deemed consummated in group A or group B.

37 6. (1) For purposes of administering the distribution formula of [subsection] subsections 4  
38 and 5 of this section, the revenues arising each year from sales occurring within each group A city,  
39 town or village shall be distributed as follows: Until such revenues reach the adjusted county  
40 average, as hereinafter defined, there shall be distributed to the city, town or village all of such  
41 revenues reduced by the percentage which is equal to ten percent multiplied by the percentage of the  
42 population of unincorporated county which has been annexed or incorporated after April 1, 1993;  
43 and once revenues exceed the adjusted county average, total revenues shall be shared in accordance  
44 with the redistribution formula as defined in this subsection.

45 (2) For purposes of this subsection, the "adjusted county average" is the per capita  
46 countywide average of all sales tax distributions during the prior calendar year reduced by the  
47 percentage which is equal to ten percent multiplied by the percentage of the population of  
48 unincorporated county which has been annexed or incorporated after April 1, 1993; the

1 "redistribution formula" is as follows: During 1994, each group A city, town and village shall  
2 receive that portion of the revenues arising from sales occurring within the municipality that remains  
3 after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales  
4 within the municipality multiplied by the percentage which is the sum of ten percent multiplied by  
5 the percentage of the population of unincorporated county which has been annexed or incorporated  
6 after April 1, 1993, and the percentage, if greater than zero, equal to the product of 8.5 multiplied by  
7 the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita  
8 sales taxes arising from sales within the municipality less the adjusted county average. During 1995,  
9 each group A city, town and village shall receive that portion of the revenues arising from sales  
10 occurring within the municipality that remains after deducting therefrom an amount equal to the  
11 cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage  
12 which is the sum of ten percent multiplied by the percentage of the population of unincorporated  
13 county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater  
14 than zero, equal to the product of seventeen multiplied by the logarithm (to base 10) of the product  
15 of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the  
16 municipality less the adjusted county average. From January 1, 1996, until January 1, 2000, each  
17 group A city, town and village shall receive that portion of the revenues arising from sales occurring  
18 within the municipality that remains after deducting therefrom an amount equal to the cumulative  
19 sales tax revenues arising from sales within the municipality multiplied by the percentage which is  
20 the sum of ten percent multiplied by the percentage of the population of unincorporated county  
21 which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero,  
22 equal to the product of 25.5 multiplied by the logarithm (to base 10) of the product of 0.035  
23 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality  
24 less the adjusted county average. From and after January 1, 2000, the distribution formula covering  
25 the period from January 1, 1996, until January 1, 2000, shall continue to apply, except that the  
26 percentage computed for sales arising within the municipalities shall be not less than 7.5 percent for  
27 municipalities within which sales tax revenues exceed the adjusted county average, nor less than 12.5  
28 percent for municipalities within which sales tax revenues exceed the adjusted county average by at  
29 least twenty-five percent.

30 (3) For purposes of applying the redistribution formula to a municipality which is partly  
31 within the county levying the tax, the distribution shall be calculated alternately for the municipality  
32 as a whole, except that the factor for annexed portion of the county shall not be applied to the portion  
33 of the municipality which is not within the county levying the tax, and for the portion of the  
34 municipality within the county levying the tax. Whichever calculation results in the larger  
35 distribution to the municipality shall be used.

36 (4) Notwithstanding any other provision of this section, the fifty percent of additional sales  
37 taxes as described in section 99.845 arising from economic activities within the area of a  
38 redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865, while  
39 tax increment financing remains in effect shall be deducted from all calculations of countywide sales  
40 taxes, shall be distributed directly to the municipality involved, and shall be disregarded in  
41 calculating the amounts distributed or distributable to the municipality. Further, any agreement,  
42 contract or covenant entered into prior to July 12, 1990, between a municipality and any other  
43 political subdivision which provides for an appropriation of incremental sales tax revenues to the  
44 special allocation fund of a tax increment financing project while tax increment financing remains in  
45 effect shall continue to be in full force and effect and the sales taxes so appropriated shall be  
46 deducted from all calculations of countywide sales taxes, shall be distributed directly to the  
47 municipality involved, and shall be disregarded in calculating the amounts distributed or  
48 distributable to the municipality. In addition, and notwithstanding any other provision of this chapter

1 to the contrary, economic development funds shall be distributed in full to the municipality in which  
2 the sales producing them were deemed consummated. Additionally, economic development funds  
3 shall be deducted from all calculations of countywide sales taxes and shall be disregarded in  
4 calculating the amounts distributed or distributable to the municipality. As used in this subdivision,  
5 the term "economic development funds" means the amount of sales tax revenue generated in any  
6 fiscal year by projects authorized pursuant to chapter 99 or chapter 100 in connection with which  
7 such sales tax revenue was pledged as security for, or was guaranteed by a developer to be sufficient  
8 to pay, outstanding obligations under any agreement authorized by chapter 100, entered into or  
9 adopted prior to September 1, 1993, between a municipality and another public body. The  
10 cumulative amount of economic development funds allowed under this provision shall not exceed  
11 the total amount necessary to amortize the obligations involved.

12 [6.] 7. If the qualified voters of any city, town or village vote to change or alter its  
13 boundaries by annexing any unincorporated territory included in group B or if the qualified voters of  
14 one or more city, town or village in group A and the qualified voters of one or more city, town or  
15 village in group B vote to consolidate, the area annexed or the area consolidated which had been a  
16 part of group B shall remain a part of group B after annexation or consolidation. After the effective  
17 date of the annexation or consolidation, the annexing or consolidated city, town or village shall  
18 receive a percentage of the group B distributable revenue equal to the percentage ratio that the  
19 population of the annexed or consolidated area bears to the total population of group B and such  
20 annexed area shall not be classified as unincorporated area for determination of the percentage  
21 allocable to the county. If the qualified voters of any two or more cities, towns or villages in group  
22 A each vote to consolidate such cities, towns or villages, then such consolidated cities, towns or  
23 villages shall remain a part of group A. For the purpose of sections 66.600 to 66.630, population  
24 shall be as determined by the last federal decennial census or the latest census that determines the  
25 total population of the county and all political subdivisions therein. For the purpose of calculating  
26 the adjustment based on the percentage of unincorporated county population which is annexed after  
27 April 1, 1993, the accumulated percentage immediately before each census shall be used as the new  
28 percentage base after such census. After any annexation, incorporation or other municipal boundary  
29 change affecting the unincorporated area of the county, the chief elected official of the county shall  
30 certify the new population of the unincorporated area of the county and the percentage of the  
31 population which has been annexed or incorporated since April 1, 1993, to the director of revenue.  
32 After the adoption of the county sales tax ordinance, any city, town or village in group A may by  
33 adoption of an ordinance by its governing body cease to be a part of group A and become a part of  
34 group B. Within ten days after the adoption of the ordinance transferring the city, town or village  
35 from one group to the other, the clerk of the transferring city, town or village shall forward to the  
36 director of revenue, by registered mail, a certified copy of the ordinance. Distribution to such city as  
37 a part of its former group shall cease and as a part of its new group shall begin on the first day of  
38 January of the year following notification to the director of revenue, provided such notification is  
39 received by the director of revenue on or before the first day of July of the year in which the  
40 transferring ordinance is adopted. If such notification is received by the director of revenue after the  
41 first day of July of the year in which the transferring ordinance is adopted, then distribution to such  
42 city as a part of its former group shall cease and as a part of its new group shall begin the first day of  
43 July of the year following such notification to the director of revenue. Once a group A city, town or  
44 village becomes a part of group B, such city may not transfer back to group A.

45 [7.] 8. If any city, town or village shall hereafter change or alter its boundaries, the city clerk  
46 of the municipality shall forward to the director of revenue, by registered mail, a certified copy of  
47 the ordinance adding or detaching territory from the municipality. The ordinance shall reflect the  
48 effective date thereof, and shall be accompanied by a map of the municipality clearly showing the

1 territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax  
2 imposed by sections 66.600 to 66.630 shall be redistributed and allocated in accordance with the  
3 provisions of this section on the effective date of the change of the municipal boundary so that the  
4 proper percentage of group B distributable revenue is allocated to the municipality in proportion to  
5 any annexed territory. If any area of the unincorporated county elects to incorporate subsequent to  
6 the effective date of the county sales tax as set forth in sections 66.600 to 66.630, the newly  
7 incorporated municipality shall remain a part of group B. The city clerk of such newly incorporated  
8 municipality shall forward to the director of revenue, by registered mail, a certified copy of the  
9 incorporation election returns and a map of the municipality clearly showing the boundaries thereof.  
10 The certified copy of the incorporation election returns shall reflect the effective date of the  
11 incorporation. Upon receipt of the incorporation election returns and map, the tax imposed by  
12 sections 66.600 to 66.630 shall be distributed and allocated in accordance with the provisions of this  
13 section on the effective date of the incorporation.

14 [8.] 9. The director of revenue may authorize the state treasurer to make refunds from the  
15 amounts in the trust fund and credited to any county for erroneous payments and overpayments  
16 made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any  
17 county abolishes the tax, the county shall notify the director of revenue of the action at least ninety  
18 days prior to the effective date of the repeal and the director of revenue may order retention in the  
19 trust fund, for a period of one year, of two percent of the amount collected after receipt of such  
20 notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and  
21 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of  
22 abolition of the tax in such county, the director of revenue shall remit the balance in the account to  
23 the county and close the account of that county. The director of revenue shall notify each county of  
24 each instance of any amount refunded or any check redeemed from receipts due the county.

25 [9.] 10. Except as modified in sections 66.600 to 66.630, all provisions of sections 32.085  
26 and 32.087 shall apply to the tax imposed under sections 66.600 to 66.630."; and

27  
28 Further amend said bill by amending the title, enacting clause, and intersectional references  
29 accordingly.