

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

**Offered By**

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 5, Page 1, In the  
2 Title, Lines 3-4, by deleting all of said lines and inserting in lieu thereof the following:  
3 "to local government revenues, with an existing penalty provision."; and  
4

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

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

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

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1 areas of the county which levied the tax; except that, beginning January 1, 1980, group B shall  
2 consist of all cities, towns and villages which are located wholly or partly within the county which  
3 levied the tax and which did not have a city sales tax approved by the voters of such city under the  
4 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the county sales tax  
5 and shall also include all unincorporated areas of the county which levied the tax.

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

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

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

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

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

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

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

46 (2) For purposes of this subsection, the "adjusted county average" is the per capita  
47 countywide average of all sales tax distributions during the prior calendar year reduced by the  
48 percentage which is equal to ten percent multiplied by the percentage of the population of

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

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

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

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

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

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

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

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

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

28 94.860. 1. Notwithstanding the provisions of subsection 1 of section 67.582, the governing  
 29 body of a county with a charter form of government and with more than nine hundred fifty thousand  
 30 inhabitants is authorized to impose by ordinance a sales tax in the amount of up to one-half of one  
 31 percent on all retail sales made in the part of the county outside of incorporated cities, towns and  
 32 villages which are subject to taxation pursuant to sections 144.010 to 144.525 for the purpose of  
 33 providing law enforcement services to such county. The tax authorized by this section shall be in  
 34 addition to any and all other sales taxes allowed by law, except that no ordinance imposing a sales  
 35 tax pursuant to this section shall be effective unless the governing body of the county submits to the  
 36 voters residing in the part of the county outside of incorporated cities, towns and villages, at a county  
 37 or state general, primary or special election, a proposal to authorize the governing body of the county  
 38 to impose a tax.

39 2. The ballot submission for the proposal to authorize imposition of the tax authorized by  
 40 this section shall contain substantially the following language:

41 Shall (name of charter county) impose a sales tax of (insert amount) in the part of (name of  
 42 charter county) outside of incorporated cities, towns and villages for the purpose of providing law  
 43 enforcement services for the county?

44 \_\_\_\_\_ Yes  No

45  
 46 If you are in favor of the question, place an "X" in the box opposite "Yes." If you are opposed to the  
 47 question, place an "X" in the box opposite "No."

48

1           If a majority of the votes cast on the proposal by the qualified voters voting thereon are in  
2 favor of the proposal submitted pursuant to this subsection, then the ordinance and any amendments  
3 thereto shall be in effect on the first day of the second quarter immediately following the election  
4 approving the proposal. If a proposal receives less than the required majority, then the governing  
5 body of the county shall have no power to impose the sales tax herein authorized unless and until the  
6 governing body of the county shall again have submitted another proposal to authorize the governing  
7 body of the county to impose the sales tax authorized by this section and such proposal is approved  
8 by the required majority of the qualified voters voting thereon. However, in no event shall a  
9 proposal pursuant to this section be submitted sooner than twelve months from the date of the last  
10 proposal pursuant to this section.

11           3. The revenue received by a county treasurer from the tax authorized under the provisions  
12 of this section shall be deposited in a special trust fund and used solely for providing law  
13 enforcement services in the part of the county outside of incorporated cities, towns and villages, for  
14 so long as the tax shall remain in effect. Revenue placed in the special trust fund may also be  
15 utilized for capital improvement projects for law enforcement facilities serving the part of the county  
16 outside of incorporated cities, towns and villages. Any funds in such special trust fund which are not  
17 needed for current expenditures may be invested by the governing body in accordance with  
18 applicable laws relating to the investment of other county funds.

19           4. The sales taxes collected by the director of revenue pursuant to this section on behalf of a  
20 county with a charter form of government and with more than nine hundred fifty thousand  
21 inhabitants shall be deposited in the "County Law Enforcement Sales Tax Trust Fund" created by  
22 subsection 5 of section 67.582, less one percent for cost of collection which shall be deposited in the  
23 state's general revenue fund after payment of premiums for surety bonds as provided in section  
24 32.087. The moneys in the trust funds shall not be deemed to be state funds and shall not be  
25 commingled with any funds of the state. The director of revenue shall keep accurate records of the  
26 amount of money in the trusts and which were collected in each county imposing a sales tax under  
27 this section, and the records shall be open to the inspection of the officers of the county and the  
28 public. Not later than the tenth day of each month the director of revenue shall distribute all moneys  
29 deposited in the trust fund during each month to the county which levied the tax; such funds shall be  
30 deposited with the county treasurer of each such county, and all expenditures of funds arising from  
31 the tax authorized by this section shall be by an appropriation act to be enacted by the governing  
32 body of each such county. Expenditures may be made from the funds for any functions authorized in  
33 the ordinance adopted by the governing body submitting the tax to the voters.

34           5. The director of revenue may authorize the state treasurer to make refunds from the  
35 amounts in the trust fund and credited to any county for erroneous payments and overpayments  
36 made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any  
37 county abolishes the tax, the county shall notify the director of revenue of the action at least ninety  
38 days before the effective date of the repeal and the director of revenue may order retention in the  
39 appropriate trust fund, for a period of one year, or two percent of the amount collected after receipt  
40 of such notice to cover possible refunds and overpayments of the tax and to redeem dishonored  
41 checks and drafts deposited to the credit of such accounts. After one year has elapsed after the  
42 abolition of the tax in such county, the director of revenue shall remit the balance in the account to  
43 the county and close the accounts of that county established pursuant to this section. The director of  
44 revenue shall notify each county of each instance of any amount refunded or any check redeemed  
45 from the receipts due to the county.

46           6. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall apply  
47 to the tax imposed pursuant to this section."; and  
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- 1 Further amend said bill by amending the title, enacting clause, and intersectional references
- 2 accordingly.