

FIRST REGULAR SESSION

# HOUSE BILL NO. 945

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CORCORAN.

Read 1<sup>st</sup> time March 31, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2192L.02I

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### AN ACT

To repeal sections 163.031, 166.131, and 513.623, RSMo, and to enact in lieu thereof four new sections relating to fines collected in prosecutions involving manufacture or distribution of methamphetamine.

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

Section A. Sections 163.031, 166.131, and 513.623, RSMo, are repealed and four new  
2 sections enacted in lieu thereof, to be known as sections 163.031, 166.131, 513.623, and  
3 560.038, to read as follows:

163.031. 1. School districts which meet the requirements of section 163.021 shall be  
2 entitled to an amount computed as follows: an amount determined by multiplying the number  
3 of eligible pupils by the lesser of the district's equalized operating levy for school purposes as  
4 defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed  
5 valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus  
6 an amount determined by multiplying the number of eligible pupils by the greater of zero or the  
7 district's equalized operating levy for school purposes as defined in section 163.011 minus two  
8 dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the  
9 guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section,  
10 the proration factor shall be equal to the sum of the total appropriation for distribution under  
11 subsections 1 and 2 of this section; and the state total of the deductions as calculated in  
12 subsection 2 of this section which do not exceed the district entitlements as adjusted by the same  
13 proration factor; divided by the amount of the state total of district entitlements before proration  
14 as calculated pursuant to this subsection; provided that, if the proration factor so calculated is

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 greater than one, the proration factor for line 1(b) shall be the greater of one or the proration  
16 factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated  
17 is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor  
18 for line 1(b) plus five hundredths.

19         2. From the district entitlement for each district there shall be deducted the following  
20 amounts: an amount determined by multiplying the district equalized assessed valuation by the  
21 district's equalized operating levy for school purposes times the district income factor plus ninety  
22 percent of any payment received the current year of protested taxes due in prior years no earlier  
23 than the 1997 tax year minus the amount of any protested taxes due in the current year and for  
24 which notice of protest was received during the current year; one hundred percent of the amount  
25 received the previous year for school purposes from intangible taxes, fines, forfeitures, **except**  
26 **for fines and forfeitures involving the manufacture and distribution of methamphetamine,**  
27 and escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax,  
28 except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as  
29 defined by the department of natural resources rule shall not be included; one hundred percent  
30 of the amounts received the previous year for school purposes from federal properties pursuant  
31 to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school  
32 purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the  
33 maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty  
34 percent, or the percentage otherwise provided in section 163.087 of Proposition C revenues  
35 received the previous year for school purposes from the school district trust fund pursuant to  
36 section 163.087; one hundred percent of the amount received the previous year for school  
37 purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent  
38 of the amount received the previous year for school purposes from the free textbook fund,  
39 pursuant to section 148.360, RSMo.

40         3. School districts which meet the requirements of section 163.021 shall receive  
41 categorical add-on revenue as provided in this subsection. There shall be individual proration  
42 factors for each categorical entitlement provided for in this subsection, and each proration factor  
43 shall be determined by annual appropriations, but no categorical proration factor shall exceed the  
44 entitlement proration factor established pursuant to subsection 1 of this section, except that the  
45 career ladder entitlement proration factor established pursuant to line 15 of subsection 6 of this  
46 section, the vocational education entitlement proration factor established pursuant to line 16 of  
47 subsection 6 of this section, and the educational and screening program entitlements proration  
48 factor established pursuant to line 17 of subsection 6 of this section may exceed the entitlement  
49 proration factor established pursuant to subsection 1 of this section. The categorical add-on for  
50 the district shall be the sum of: seventy-five percent of the costs of adopting and providing a

51 violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration  
52 factor; seventy-five percent of the district allowable transportation costs pursuant to section  
53 163.161 multiplied by the proration factor; the special education approved or allowed cost  
54 entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration  
55 factor; seventy-five percent of the district gifted education approved or allowable cost  
56 entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor;  
57 the free and reduced lunch eligible pupil count for the district, as defined in section 163.011,  
58 multiplied by twenty percent, for a district with an operating levy in excess of two dollars and  
59 seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise  
60 times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one  
61 hundred dollars assessed valuation times the proration factor plus the free and reduced lunch  
62 eligible pupil count for the district, as defined in section 163.011, times thirty percent times the  
63 guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the  
64 district's operating levy for school purposes minus two dollars and seventy-five cents per one  
65 hundred dollars assessed valuation) times one or, beginning in the fifth year following the  
66 effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency  
67 for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of  
68 efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent  
69 below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered  
70 state desegregation aid received by the district for operating purposes; the career ladder  
71 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo; the vocational  
72 education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by  
73 the proration factor and the district educational and screening program entitlements as provided  
74 for in sections 178.691 to 178.699, RSMo, times the proration factor.

75 4. Each district's apportionment shall be the prorated categorical add-ons plus the greater  
76 of the district's prorated entitlement minus the total deductions for the district or zero.

77 5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section  
78 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy  
79 for school purposes to the extent necessary for the district to at least maintain the current  
80 operating expenditures per pupil received by the district from all sources in the 1992-93 school  
81 year, except that its operating levy for school purposes shall not exceed the highest tax rate in  
82 effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section  
83 163.021, whichever is less.

84 (2) The revenue per eligible pupil received by a district from the following sources: line  
85 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of  
86 this section, shall not be less than the revenue per eligible pupil received by a district in the

87 1992-93 school year from the foundation formula entitlement payment amount plus the amount  
88 of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school  
89 year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the  
90 foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil  
91 times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line  
92 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district  
93 in the 1992-93 school year from the foundation formula entitlement payment amount, whichever  
94 is greater. The department of elementary and secondary education shall make an addition in the  
95 payment amount of line 19 of subsection 6 of this section to assure compliance with the  
96 provisions contained in this section.

97 (3) For any school district which meets the eligibility criteria for state aid as established  
98 in section 163.021, but which under subsections 1 to 4 of this section receives no state aid for  
99 two successive school years, other than categorical add-ons, by August first following the second  
100 such school year, the commissioner of education shall present a plan to the superintendent of the  
101 school district for the waiver of rules and the duration of said waivers, in order to promote  
102 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery  
103 of instructional services. The provisions of other law to the contrary notwithstanding, the plan  
104 presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil  
105 testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law  
106 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements  
107 otherwise imposed on the school district related to the authority of the state board of education  
108 to classify school districts pursuant to section 161.092, RSMo, and such other rules as  
109 determined by the commissioner of education, except that such waivers shall not include the  
110 provisions established pursuant to sections 160.514 and 160.518, RSMo.

111 (4) In the 1993-94 school year and each school year thereafter for two years, those  
112 districts which are entitled to receive state aid under subsections 1 to 4 of this section shall  
113 receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94  
114 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid  
115 per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections  
116 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the  
117 district from all sources for the 1992-93 school year for which the district is entitled and which  
118 are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the  
119 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state  
120 aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to  
121 subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by  
122 the district from all sources for the 1992-93 school year for which the district is entitled and

123 which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section.  
 124 For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five  
 125 percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96  
 126 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total  
 127 amount of state aid received by the district from all sources for the 1992-93 school year for  
 128 which the district is entitled and which are distributed in the 1995-96 school year pursuant to  
 129 subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the  
 130 authority of a school district to raise its district operating levy pursuant to subdivision (1) of this  
 131 subsection.

132 (5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of  
 133 this subsection is less than the total of state aid apportionments calculated pursuant to  
 134 subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding  
 135 schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision  
 136 (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to  
 137 subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools  
 138 trust fund to the state school moneys fund to the extent necessary to fund the district entitlements  
 139 as modified by subdivision (4) of this subsection for that school year with a district entitlement  
 140 proration factor no less than one and such transfer shall be given priority over all other uses for  
 141 the outstanding schools trust fund as otherwise provided by law.

142 6. State aid shall be determined as follows:

District Entitlement	
144 1(a). Number of eligible pupils x (lesser of	
145 district's equalized operating levy for	
146 school purposes or two dollars	
147 and seventy-five cents per one hundred	
148 dollars assessed valuation) x (proration	
149 x GTB per EP) . . . . .	\$.....
150 1(b). Number of eligible pupils x (greater of:	
151 0, or district's equalized operating levy	
152 for school purposes minus two dollars	
153 and seventy-five cents per one hundred	
154 dollars assessed valuation) x (proration	
155 x GTB per EP) . . . . .	\$.....
Deductions	
157 2. District equalized assessed valuation x	
158 district income factor x district's equalized	

- 159 operating levy for school purposes
- 160 plus ninety percent of any payment
- 161 received the current year of protested
- 162 taxes due in prior years no earlier than
- 163 the 1997 tax year minus the amount of
- 164 any protested taxes due in the current
- 165 year and for which notice of protest was
- 166 received during the current
- 167 year ..... \$.....
- 168 3. Intangible taxes, fines, forfeitures, **except for**
- 169 **fines and forfeitures involving the manufacture**
- 170 **or distribution of methamphetamine**, escheats, payments in lieu of taxes, etc. (100%
- 171 of the amount
- 172 received the previous year for school
- 173 purposes) ..... \$.....
- 174 4. Receipts from state assessed railroad
- 175 and utility tax (100% of the amount
- 176 received the previous year for school
- 177 purposes) ..... \$.....
- 178 5. Receipts from federal properties pursuant
- 179 to sections 12.070 and 12.080, RSMo (100%
- 180 of the amount received the previous year
- 181 for school purposes) ..... \$.....
- 182 6. (Federal impact aid received the previous
- 183 year for school purposes pursuant to
- 184 P.L. 81-874 less \$50,000) x 90% or the
- 185 maximum percentage allowed by federal
- 186 regulations if less than 90% ..... \$.....
- 187 7. Fifty percent or the percentage otherwise
- 188 provided in section 163.087 of Proposition
- 189 C receipts from the school district trust
- 190 fund received the previous year for
- 191 school purposes pursuant to section 163.087 ..... \$.....
- 192 8. One hundred percent of the amount
- 193 received the previous year for
- 194 school purposes from the fair share

195	fund pursuant to section 149.015, RSMo .....	\$.....
196	9. One hundred percent of the amount	
197	received the previous year for	
198	school purposes from the free textbook	
199	fund pursuant to section 148.360, RSMo .....	\$.....
200	10. Total deductions (sum of lines 2-9) .....	\$.....
201	Categorical Add-ons	
202	11. The amount distributed pursuant to	
203	section 163.161 x proration .....	\$.....
204	12. Special education approved or allowed	
205	cost entitlement for the district	
206	pursuant to section 162.975, RSMo,	
207	x proration .....	\$.....
208	13. Seventy-five percent of the gifted	
209	education approved or allowable cost	
210	entitlement as determined pursuant to	
211	section 162.975, RSMo, x proration .....	\$.....
212	14(a). Free and reduced lunch eligible pupil	
213	count for the district, as defined in	
214	section 163.011, x .20, if operating	
215	levy in excess of \$2.75, or .22,	
216	otherwise x GTB per EP x \$2.75 per	
217	\$100 AV x proration .....	\$.....
218	14(b). Free and reduced lunch eligible pupil	
219	count for the district, as defined in	
220	section 163.011 x .30 x GTB x ((the	
221	greater of zero or the district's	
222	adjusted operating levy minus \$2.75	
223	per \$100 AV) x (1.0 or, beginning in	
224	the fifth year following the effective	
225	date of this section, the district's	
226	FIRE for the prior year/statewide	
227	average FIRE for FY 1998, if the	
228	district's prior year FIRE is at	
229	least five percent below the FY 1998	
230	statewide average FIRE) x proration)	

231	- court-ordered state desegregation	
232	aid received by the district for	
233	operating purposes . . . . .	\$.....
234	15. Career ladder entitlement for the district	
235	as provided for in sections 168.500 to 168.515,	
236	RSMo . . . . .	\$.....
237	16. Vocational education entitlements for	
238	the district as provided in section 167.332,	
239	RSMo, x proration . . . . .	\$.....
240	17. Educational and screening program	
241	entitlements for the district as	
242	provided in sections 178.691	
243	to 178.699, RSMo, x proration . . . . .	\$.....
244	18. Sum of categorical add-ons for the district	
245	(sum of lines 11-17) . . . . .	\$.....
246	19. District apportionment (line 18 plus the	
247	greater of line 1 minus line 10 or zero) . . . . .	\$.....

248 7. Revenue received for school purposes by each school district pursuant to this section  
 249 shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax  
 250 rate in the district for that fund to the total tax rate in the district for the two funds.

251 8. In addition to the penalty for line 14 described in subsection 6 of this section,  
 252 beginning in school year 2004-05, any increase in a school district's funds received pursuant to  
 253 line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one  
 254 percent for each full percentage point the percentage of the district's pupils scoring at or above  
 255 five percent below the statewide average level on either mathematics or reading is less than  
 256 sixty-five percent.

257 9. If a school district's annual audit discloses that students were inappropriately identified  
 258 as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the  
 259 department of elementary and secondary education shall require that the amount of line 14 aid  
 260 paid on the inappropriately identified pupils be repaid by the district in the next school year and  
 261 shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils,  
 262 which penalty shall also be paid within the next school year. Such amounts may be repaid by  
 263 the district through the withholding of the amount of state aid.

166.131. The county commission in each county shall administer the county school fund  
 2 of the county. In each county wherein the annual distribution of the liquidated capital of the  
 3 county school fund has not been ordered by the voters pursuant to sections 166.151 to 166.161,



4 the proceeds of the fund shall be invested by the county commission in registered bonds of the  
5 United States, or in bonds of the state or in approved bonds of any city or school district thereof,  
6 or in bonds or other securities the payment of which is fully guaranteed by the United States  
7 government and shall be preserved as a county school fund. Annually, on or before September  
8 thirtieth, in each county of the state all interest accruing from the investment of the capital of the  
9 county school fund, if any, the clear proceeds of all penalties and fines collected for any breach  
10 of the penal laws of the state, the net proceeds from the sale of estrays, and all other money  
11 lawfully coming into the fund, shall be collected and distributed to the school districts of the  
12 county by the county clerk in the same proportion that the September membership of a school  
13 district, determined as provided in (1) of subdivision (8) of section 163.011, RSMo, bears to the  
14 sum of the September membership of all the districts in the county. He shall immediately after  
15 making the apportionments enter them in a book to be kept for that purpose, and shall furnish  
16 each district clerk a copy of the apportionment. The county treasurer shall pay over to the  
17 treasurer of the school board of every district in the county the amount due each respective  
18 district. The clear proceeds of all forfeitures collected for any breach of the penal laws of the  
19 state distributed for education shall be transferred to the [school building revolving] **state school**  
20 **moneys fund. All proceeds obtained in any civil or criminal forfeiture involving the**  
21 **manufacture or distribution of methamphetamine shall be allocated to the school districts**  
22 **located in whole or in part within the county in which the forfeiture was conducted.**

513.623. The clear proceeds of any sale or disposition after satisfaction of the interest  
2 of any innocent party and after payment of the reasonable costs of the CAFA proceeding,  
3 including reasonable storage costs as assessed by the court, if any, shall be distributed pursuant  
4 to section 7 of article IX of the Constitution of the state of Missouri. **All proceeds obtained in**  
5 **any civil or criminal forfeiture involving the manufacture or distribution of**  
6 **methamphetamine shall be allocated to the school districts located in whole or in part**  
7 **within the county in which the forfeiture was conducted.**

560.038. **All fines collected in any prosecution involving the manufacture or**  
2 **distribution of methamphetamine shall be allocated to the school districts located in whole**  
3 **or in part within the county in which the prosecution was conducted.**