

ORIGINAL



0835L07.05F

0835L07
9051L01.01B

HOUSE/SENATE

AMENDMENT NO. _____

(CW)

Offered by

SCHARNHORST

of

93

HCS No. 2 FOR SCS FOR SB

1 AMEND _____, Bill No. 117, Page 12, Section 44.035,
2 Line 8, by inserting after all of said line the following:

3 "66.620. 1. All county sales taxes collected by the
4 director of revenue under sections 66.600 to 66.630 on behalf of
5 any county, less one percent for cost of collection which shall
6 be deposited in the state's general revenue fund after payment of
7 premiums for surety bonds as provided in section 32.087, shall be
8 deposited in a special trust fund, which is hereby created, to be
9 known as the "County Sales Tax Trust Fund". The moneys in the
10 county sales tax trust fund shall not be deemed to be state funds
11 and shall not be commingled with any funds of the state. The
12 director of revenue shall keep accurate records of the amount of
13 money in the trust fund which was collected in each county
14 imposing a county sales tax, and the records shall be open to the
15 inspection of officers of the county and the public. Not later
16 than the tenth day of each month, the director of revenue shall
17 distribute all moneys deposited in the trust fund during the
18 preceding month to the county which levied the tax; such funds
19 shall be deposited with the county treasurer of the county and
20 all expenditures of funds arising from the county sales tax trust
21 fund shall be by an appropriation act to be enacted by the
22 legislative council of the county, and to the cities, towns and
23 villages located wholly or partly within the county which levied
24 the tax in the manner as set forth in sections 66.600 to 66.630.

25 2. In any county not adopting an additional sales tax and
26 alternate distribution system as provided in section 67.581, for
27 the purposes of distributing the county sales tax, the county
28 shall be divided into two groups, "Group A" and "Group B". Group
29 A shall consist of all cities, towns and villages which are

Action Taken _____ Date _____

1 located wholly or partly within the county which levied the tax
2 and which had a city sales tax in effect under the provisions of
3 sections 94.500 to 94.550 on the day prior to the adoption of the
4 county sales tax ordinance, except that beginning January 1,
5 1980, group A shall consist of all cities, towns and villages
6 which are located wholly or partly within the county which levied
7 the tax and which had a city sales tax approved by the voters of
8 such city under the provisions of sections 94.500 to 94.550 on
9 the day prior to the effective date of the county sales tax.
10 Notwithstanding provisions of this section to contrary, for the
11 period beginning August 28, 2011, and ending August 28, 2013,
12 group A shall include all portions of any city of the fourth
13 classification with more than four thousand three hundred but
14 fewer than four thousand four hundred inhabitants and located in
15 any county with a charter form of government and with more than
16 one million inhabitants and where such city includes a dormant
17 manufacturing plant that was used for manufacturing or assembly
18 and employed not less than three thousand persons but has ceased
19 such manufacturing and assembly activity. For the purposes of
20 determining the location of consummation of sales for
21 distribution of funds to cities, towns and villages in group A,
22 the boundaries of any such city, town or village shall be the
23 boundary of that city, town or village as it existed on March 19,
24 1984. Group B shall consist of all cities, towns and villages
25 which are located wholly or partly within the county which levied
26 the tax and which did not have a city sales tax in effect under
27 the provisions of sections 94.500 to 94.550 on the day prior to
28 the adoption of the county sales tax ordinance, and shall also
29 include all unincorporated areas of the county which levied the
30 tax; except that, beginning January 1, 1980, group B shall
31 consist of all cities, towns and villages which are located
32 wholly or partly within the county which levied the tax and which
33 did not have a city sales tax approved by the voters of such city
34 under the provisions of sections 94.500 to 94.550 on the day
35 prior to the effective date of the county sales tax and shall
36 also include all unincorporated areas of the county which levied
37 the tax. Notwithstanding provisions of this section to contrary,

1 for the period beginning August 28, 2011, and ending August 28,
2 2013, group B shall not include any portion of any city of the
3 fourth classification with more than four thousand three hundred
4 but fewer than four thousand four hundred inhabitants and located
5 in any county with a charter form of government and with more
6 than one million inhabitants and where such city includes a
7 dormant manufacturing plant that was used for manufacturing or
8 assembly and employed not less than three thousand persons but
9 has ceased such manufacturing and assembly activity.

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

31 4. From and after January 1, 1994, the director of revenue
32 shall distribute to the cities, towns and villages in group A a
33 portion of the taxes based on the location in which the sales
34 were deemed consummated under section 66.630 and subsection 12 of
35 section 32.087 in accordance with the formula described in this
36 subsection. After deducting the distribution to the cities,
37 towns and villages in group A, the director of revenue shall

1 distribute funds in the county sales tax trust fund to the
2 cities, towns and villages and the county in group B as follows:
3 To the county which levied the tax, ten percent multiplied by the
4 percentage of the population of unincorporated county which has
5 been annexed or incorporated since April 1, 1993, multiplied by
6 the total of all sales tax revenues countywide, and a percentage
7 of the remaining distributable revenue equal to the percentage
8 ratio that the population of unincorporated areas of the county
9 bears to the total population of group B; and to each city, town
10 or village in group B located wholly within the taxing county, a
11 percentage of the remaining distributable revenue equal to the
12 percentage ratio that the population of such city, town or
13 village bears to the total population of group B; and to each
14 city, town or village located partly within the taxing county, a
15 percentage of the remaining distributable revenue equal to the
16 percentage ratio that the population of that part of the city,
17 town or village located within the taxing county bears to the
18 total population of group B.

19 5. (1) For purposes of administering the distribution
20 formula of subsection 4 of this section, the revenues arising
21 each year from sales occurring within each group A city, town or
22 village shall be distributed as follows: Until such revenues
23 reach the adjusted county average, as hereinafter defined, there
24 shall be distributed to the city, town or village all of such
25 revenues reduced by the percentage which is equal to ten percent
26 multiplied by the percentage of the population of unincorporated
27 county which has been annexed or incorporated after April 1,
28 1993; and once revenues exceed the adjusted county average, total
29 revenues shall be shared in accordance with the redistribution
30 formula as defined in this subsection.

31 (2) For purposes of this subsection, the "adjusted county
32 average" is the per capita countywide average of all sales tax
33 distributions during the prior calendar year reduced by the
34 percentage which is equal to ten percent multiplied by the
35 percentage of the population of unincorporated county which has
36 been annexed or incorporated after April 1, 1993; the
37 "redistribution formula" is as follows: During 1994, each group

1 A city, town and village shall receive that portion of the
2 revenues arising from sales occurring within the municipality
3 that remains after deducting therefrom an amount equal to the
4 cumulative sales tax revenues arising from sales within the
5 municipality multiplied by the percentage which is the sum of ten
6 percent multiplied by the percentage of the population of
7 unincorporated county which has been annexed or incorporated
8 after April 1, 1993, and the percentage, if greater than zero,
9 equal to the product of 8.5 multiplied by the logarithm (to base
10 10) of the product of 0.035 multiplied by the total of cumulative
11 per capita sales taxes arising from sales within the municipality
12 less the adjusted county average. During 1995, each group A
13 city, town and village shall receive that portion of the revenues
14 arising from sales occurring within the municipality that remains
15 after deducting therefrom an amount equal to the cumulative sales
16 tax revenues arising from sales within the municipality
17 multiplied by the percentage which is the sum of ten percent
18 multiplied by the percentage of the population of unincorporated
19 county which has been annexed or incorporated after April 1,
20 1993, and the percentage, if greater than zero, equal to the
21 product of seventeen multiplied by the logarithm (to base 10) of
22 the product of 0.035 multiplied by the total of cumulative per
23 capita sales taxes arising from sales within the municipality
24 less the adjusted county average. From January 1, 1996, until
25 January 1, 2000, each group A city, town and village shall
26 receive that portion of the revenues arising from sales occurring
27 within the municipality that remains after deducting therefrom an
28 amount equal to the cumulative sales tax revenues arising from
29 sales within the municipality multiplied by the percentage which
30 is the sum of ten percent multiplied by the percentage of the
31 population of unincorporated county which has been annexed or
32 incorporated after April 1, 1993, and the percentage, if greater
33 than zero, equal to the product of 25.5 multiplied by the
34 logarithm (to base 10) of the product of 0.035 multiplied by the
35 total of cumulative per capita sales taxes arising from sales
36 within the municipality less the adjusted county average. From
37 and after January 1, 2000, the distribution formula covering the

1 period from January 1, 1996, until January 1, 2000, shall
2 continue to apply, except that the percentage computed for sales
3 arising within the municipalities shall be not less than 7.5
4 percent for municipalities within which sales tax revenues exceed
5 the adjusted county average, nor less than 12.5 percent for
6 municipalities within which sales tax revenues exceed the
7 adjusted county average by at least twenty-five percent.

8 (3) For purposes of applying the redistribution formula to
9 a municipality which is partly within the county levying the tax,
10 the distribution shall be calculated alternately for the
11 municipality as a whole, except that the factor for annexed
12 portion of the county shall not be applied to the portion of the
13 municipality which is not within the county levying the tax, and
14 for the portion of the municipality within the county levying the
15 tax. Whichever calculation results in the larger distribution to
16 the municipality shall be used.

17 (4) Notwithstanding any other provision of this section,
18 the fifty percent of additional sales taxes as described in
19 section 99.845 arising from economic activities within the area
20 of a redevelopment project established after July 12, 1990,
21 pursuant to sections 99.800 to 99.865, while tax increment
22 financing remains in effect shall be deducted from all
23 calculations of countywide sales taxes, shall be distributed
24 directly to the municipality involved, and shall be disregarded
25 in calculating the amounts distributed or distributable to the
26 municipality. Further, any agreement, contract or covenant
27 entered into prior to July 12, 1990, between a municipality and
28 any other political subdivision which provides for an
29 appropriation of incremental sales tax revenues to the special
30 allocation fund of a tax increment financing project while tax
31 increment financing remains in effect shall continue to be in
32 full force and effect and the sales taxes so appropriated shall
33 be deducted from all calculations of countywide sales taxes,
34 shall be distributed directly to the municipality involved, and
35 shall be disregarded in calculating the amounts distributed or
36 distributable to the municipality. In addition, and
37 notwithstanding any other provision of this chapter to the

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

18 6. If the qualified voters of any city, town or village
19 vote to change or alter its boundaries by annexing any
20 unincorporated territory included in group B or if the qualified
21 voters of one or more city, town or village in group A and the
22 qualified voters of one or more city, town or village in group B
23 vote to consolidate, the area annexed or the area consolidated
24 which had been a part of group B shall remain a part of group B
25 after annexation or consolidation. After the effective date of
26 the annexation or consolidation, the annexing or consolidated
27 city, town or village shall receive a percentage of the group B
28 distributable revenue equal to the percentage ratio that the
29 population of the annexed or consolidated area bears to the total
30 population of group B and such annexed area shall not be
31 classified as unincorporated area for determination of the
32 percentage allocable to the county. If the qualified voters of
33 any two or more cities, towns or villages in group A each vote to
34 consolidate such cities, towns or villages, then such
35 consolidated cities, towns or villages shall remain a part of
36 group A. For the purpose of sections 66.600 to 66.630,
37 population shall be as determined by the last federal decennial

1 census or the latest census that determines the total population
2 of the county and all political subdivisions therein. For the
3 purpose of calculating the adjustment based on the percentage of
4 unincorporated county population which is annexed after April 1,
5 1993, the accumulated percentage immediately before each census
6 shall be used as the new percentage base after such census.
7 After any annexation, incorporation or other municipal boundary
8 change affecting the unincorporated area of the county, the chief
9 elected official of the county shall certify the new population
10 of the unincorporated area of the county and the percentage of
11 the population which has been annexed or incorporated since April
12 1, 1993, to the director of revenue. After the adoption of the
13 county sales tax ordinance, any city, town or village in group A
14 may by adoption of an ordinance by its governing body cease to be
15 a part of group A and become a part of group B. Within ten days
16 after the adoption of the ordinance transferring the city, town
17 or village from one group to the other, the clerk of the
18 transferring city, town or village shall forward to the director
19 of revenue, by registered mail, a certified copy of the
20 ordinance. Distribution to such city as a part of its former
21 group shall cease and as a part of its new group shall begin on
22 the first day of January of the year following notification to
23 the director of revenue, provided such notification is received
24 by the director of revenue on or before the first day of July of
25 the year in which the transferring ordinance is adopted. If such
26 notification is received by the director of revenue after the
27 first day of July of the year in which the transferring ordinance
28 is adopted, then distribution to such city as a part of its
29 former group shall cease and as a part of its new group shall
30 begin the first day of July of the year following such
31 notification to the director of revenue. Once a group A city,
32 town or village becomes a part of group B, such city may not
33 transfer back to group A.

34 7. If any city, town or village shall hereafter change or
35 alter its boundaries, the city clerk of the municipality shall
36 forward to the director of revenue, by registered mail, a
37 certified copy of the ordinance adding or detaching territory

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

24 8. The director of revenue may authorize the state
25 treasurer to make refunds from the amounts in the trust fund and
26 credited to any county for erroneous payments and overpayments
27 made, and may redeem dishonored checks and drafts deposited to
28 the credit of such counties. If any county abolishes the tax,
29 the county shall notify the director of revenue of the action at
30 least ninety days prior to the effective date of the repeal and
31 the director of revenue may order retention in the trust fund,
32 for a period of one year, of two percent of the amount collected
33 after receipt of such notice to cover possible refunds or
34 overpayment of the tax and to redeem dishonored checks and drafts
35 deposited to the credit of such accounts. After one year has
36 elapsed after the effective date of abolition of the tax in such
37 county, the director of revenue shall remit the balance in the

1 account to the county and close the account of that county. The
2 director of revenue shall notify each county of each instance of
3 any amount refunded or any check redeemed from receipts due the
4 county.

5 9. Except as modified in sections 66.600 to 66.630, all
6 provisions of sections 32.085 and 32.087 shall apply to the tax
7 imposed under sections 66.600 to 66.630."; and

8 Further amend said title, enacting clause and intersectional
9 references accordingly.