

HOUSE _____ **AMENDMENT NO.** _____

Offered By

1 AMEND House Committee Substitute No, 2 for Senate Committee Substitute for Senate Bill
2 No. 117, Page 12, Section 44.035, Line 8, by inserting after all of said line the following:
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4 "66.620. 1. All county sales taxes collected by the director of revenue under sections
5 66.600 to 66.630 on behalf of any county, less one percent for cost of collection which shall be
6 deposited in the state's general revenue fund after payment of premiums for surety bonds as
7 provided in section 32.087, shall be deposited in a special trust fund, which is hereby created, to
8 be known as the "County Sales Tax Trust Fund". The moneys in the county sales tax trust fund
9 shall not be deemed to be state funds and shall not be commingled with any funds of the state.
10 The director of revenue shall keep accurate records of the amount of money in the trust fund
11 which was collected in each county imposing a county sales tax, and the records shall be open to
12 the inspection of officers of the county and the public. Not later than the tenth day of each month,
13 the director of revenue shall distribute all moneys deposited in the trust fund during the preceding
14 month to the county which levied the tax; such funds shall be deposited with the county treasurer
15 of the county and all expenditures of funds arising from the county sales tax trust fund shall be by
16 an appropriation act to be enacted by the legislative council of the county, and to the cities, towns
17 and villages located wholly or partly within the county which levied the tax in the manner as set
18 forth in sections 66.600 to 66.630.

19 2. In any county not adopting an additional sales tax and alternate distribution system as
20 provided in section 67.581, for the purposes of distributing the county sales tax, the county shall
21 be divided into two groups, "Group A" and "Group B". Group A shall consist of all cities, towns
22 and villages which are located wholly or partly within the county which levied the tax and which
23 had a city sales tax in effect under the provisions of sections 94.500 to 94.550 on the day prior to
24 the adoption of the county sales tax ordinance, except that beginning January 1, 1980, group A
25 shall consist of all cities, towns and villages which are located wholly or partly within the county
26 which levied the tax and which had a city sales tax approved by the voters of such city under the
27 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the county sales
28 tax. Notwithstanding provisions of this section to contrary, for the period beginning August 28,
29 2011, and ending August 28, 2013, group A shall include all portions of any city of the fourth

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

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

1 total population of group B.

2 4. From and after January 1, 1994, the director of revenue shall distribute to the cities,
3 towns and villages in group A a portion of the taxes based on the location in which the sales were
4 deemed consummated under section 66.630 and subsection 12 of section 32.087 in accordance
5 with the formula described in this subsection. After deducting the distribution to the cities, towns
6 and villages in group A, the director of revenue shall distribute funds in the county sales tax trust
7 fund to the cities, towns and villages and the county in group B as follows: To the county which
8 levied the tax, ten percent multiplied by the percentage of the population of unincorporated county
9 which has been annexed or incorporated since April 1, 1993, multiplied by the total of all sales tax
10 revenues countywide, and a percentage of the remaining distributable revenue equal to the
11 percentage ratio that the population of unincorporated areas of the county bears to the total
12 population of group B; and to each city, town or village in group B located wholly within the
13 taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio
14 that the population of such city, town or village bears to the total population of group B; and to
15 each city, town or village located partly within the taxing county, a percentage of the remaining
16 distributable revenue equal to the percentage ratio that the population of that part of the city, town
17 or village located within the taxing county bears to the total population of group B.

18 5. (1) For purposes of administering the distribution formula of subsection 4 of this
19 section, the revenues arising each year from sales occurring within each group A city, town or
20 village shall be distributed as follows: Until such revenues reach the adjusted county average, as
21 hereinafter defined, there shall be distributed to the city, town or village all of such revenues
22 reduced by the percentage which is equal to ten percent multiplied by the percentage of the
23 population of unincorporated county which has been annexed or incorporated after April 1, 1993;
24 and once revenues exceed the adjusted county average, total revenues shall be shared in
25 accordance with the redistribution formula as defined in this subsection.

26 (2) For purposes of this subsection, the "adjusted county average" is the per capita
27 countywide average of all sales tax distributions during the prior calendar year reduced by the
28 percentage which is equal to ten percent multiplied by the percentage of the population of
29 unincorporated county which has been annexed or incorporated after April 1, 1993; the
30 "redistribution formula" is as follows: During 1994, each group A city, town and village shall
31 receive that portion of the revenues arising from sales occurring within the municipality that
32 remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising
33 from sales within the municipality multiplied by the percentage which is the sum of ten percent
34 multiplied by the percentage of the population of unincorporated county which has been annexed
35 or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of
36 8.5 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of

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

24 (3) For purposes of applying the redistribution formula to a municipality which is partly
25 within the county levying the tax, the distribution shall be calculated alternately for the
26 municipality as a whole, except that the factor for annexed portion of the county shall not be
27 applied to the portion of the municipality which is not within the county levying the tax, and for
28 the portion of the municipality within the county levying the tax. Whichever calculation results in
29 the larger distribution to the municipality shall be used.

30 (4) Notwithstanding any other provision of this section, the fifty percent of additional
31 sales taxes as described in section 99.845 arising from economic activities within the area of a
32 redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865,
33 while tax increment financing remains in effect shall be deducted from all calculations of
34 countywide sales taxes, shall be distributed directly to the municipality involved, and shall be
35 disregarded in calculating the amounts distributed or distributable to the municipality. Further,
36 any agreement, contract or covenant entered into prior to July 12, 1990, between a municipality

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

19 6. If the qualified voters of any city, town or village vote to change or alter its boundaries
20 by annexing any unincorporated territory included in group B or if the qualified voters of one or
21 more city, town or village in group A and the qualified voters of one or more city, town or village
22 in group B vote to consolidate, the area annexed or the area consolidated which had been a part of
23 group B shall remain a part of group B after annexation or consolidation. After the effective date
24 of the annexation or consolidation, the annexing or consolidated city, town or village shall receive
25 a percentage of the group B distributable revenue equal to the percentage ratio that the population
26 of the annexed or consolidated area bears to the total population of group B and such annexed
27 area shall not be classified as unincorporated area for determination of the percentage allocable to
28 the county. If the qualified voters of any two or more cities, towns or villages in group A each
29 vote to consolidate such cities, towns or villages, then such consolidated cities, towns or villages
30 shall remain a part of group A. For the purpose of sections 66.600 to 66.630, population shall be
31 as determined by the last federal decennial census or the latest census that determines the total
32 population of the county and all political subdivisions therein. For the purpose of calculating the
33 adjustment based on the percentage of unincorporated county population which is annexed after
34 April 1, 1993, the accumulated percentage immediately before each census shall be used as the
35 new percentage base after such census. After any annexation, incorporation or other municipal
36 boundary change affecting the unincorporated area of the county, the chief elected official of the

1 county shall certify the new population of the unincorporated area of the county and the
2 percentage of the population which has been annexed or incorporated since April 1, 1993, to the
3 director of revenue. After the adoption of the county sales tax ordinance, any city, town or village
4 in group A may by adoption of an ordinance by its governing body cease to be a part of group A
5 and become a part of group B. Within ten days after the adoption of the ordinance transferring the
6 city, town or village from one group to the other, the clerk of the transferring city, town or village
7 shall forward to the director of revenue, by registered mail, a certified copy of the ordinance.
8 Distribution to such city as a part of its former group shall cease and as a part of its new group
9 shall begin on the first day of January of the year following notification to the director of revenue,
10 provided such notification is received by the director of revenue on or before the first day of July
11 of the year in which the transferring ordinance is adopted. If such notification is received by the
12 director of revenue after the first day of July of the year in which the transferring ordinance is
13 adopted, then distribution to such city as a part of its former group shall cease and as a part of its
14 new group shall begin the first day of July of the year following such notification to the director of
15 revenue. Once a group A city, town or village becomes a part of group B, such city may not
16 transfer back to group A.

17 7. If any city, town or village shall hereafter change or alter its boundaries, the city clerk
18 of the municipality shall forward to the director of revenue, by registered mail, a certified copy of
19 the ordinance adding or detaching territory from the municipality. The ordinance shall reflect the
20 effective date thereof, and shall be accompanied by a map of the municipality clearly showing the
21 territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax
22 imposed by sections 66.600 to 66.630 shall be redistributed and allocated in accordance with the
23 provisions of this section on the effective date of the change of the municipal boundary so that the
24 proper percentage of group B distributable revenue is allocated to the municipality in proportion
25 to any annexed territory. If any area of the unincorporated county elects to incorporate subsequent
26 to the effective date of the county sales tax as set forth in sections 66.600 to 66.630, the newly
27 incorporated municipality shall remain a part of group B. The city clerk of such newly
28 incorporated municipality shall forward to the director of revenue, by registered mail, a certified
29 copy of the incorporation election returns and a map of the municipality clearly showing the
30 boundaries thereof.

31 The certified copy of the incorporation election returns shall reflect the effective date of the
32 incorporation. Upon receipt of the incorporation election returns and map, the tax imposed by
33 sections 66.600 to 66.630 shall be distributed and allocated in accordance with the provisions of
34 this section on the effective date of the incorporation.

35 8. The director of revenue may authorize the state treasurer to make refunds from the
36 amounts in the trust fund and credited to any county for erroneous payments and overpayments

1 made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If
2 any county abolishes the tax, the county shall notify the director of revenue of the action at least
3 ninety days prior to the effective date of the repeal and the director of revenue may order retention
4 in the trust fund, for a period of one year, of two percent of the amount collected after receipt of
5 such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks
6 and drafts deposited to the credit of such accounts. After one year has elapsed after the effective
7 date of abolition of the tax in such county, the director of revenue shall remit the balance in the
8 account to the county and close the account of that county. The director of revenue shall notify
9 each county of each instance of any amount refunded or any check redeemed from receipts due the
10 county.

11 9. Except as modified in sections 66.600 to 66.630, all provisions of sections 32.085 and
12 32.087 shall apply to the tax imposed under sections 66.600 to 66.630."; and

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14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.
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