

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 177,  
Page 1, Section A, Line 4, by inserting after all of said section the following:

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

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

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

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

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

17           5. (1) For purposes of administering the distribution formula of subsection 4 of this  
18 section, the revenues arising each year from sales occurring within each group A city, town or  
19 village shall be distributed as follows: Until such revenues reach the adjusted county average, as  
20 hereinafter defined, there shall be distributed to the city, town or village all of such revenues  
21 reduced by the percentage which is equal to ten percent multiplied by the percentage of the  
22 population of unincorporated county which has been annexed or incorporated after April 1, 1993;  
23 and once revenues exceed the adjusted county average, total revenues shall be shared in  
24 accordance with the redistribution formula as defined in this subsection.

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

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

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

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

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

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

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

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

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

8. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If

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

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

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