House ____ Amendment NO.____

Offered By

______________________________________ ______________________________________

AMEND Senate Bill No. 221, Page 1, in the Title, Lines 3-4, by deleting all of said lines and inserting in lieu thereof "to political subdivisions."; and

Further amend said bill and page, Section A, Line 2, by inserting the following after all of said line:

"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. For the purposes of determining the location of consummation of sales for distribution of funds to cities, towns and villages in group A, the boundaries of any such city, town or village shall be the boundary

Action Taken____ Date __________________________

Action Taken____ Date __________________________ of that city, town or village as it existed on March 19, 1984. Group B shall consist of all cities, towns and villages which are located wholly or partly within the county which levied the tax and which did not have 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, and shall also include all unincorporated areas of the county which levied the tax; except that, beginning January 1, 1980, group B shall consist of all cities, towns and villages which are located wholly or partly within the county which levied the tax and which did not have 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 and shall also include all unincorporated areas of the county which levied the tax.

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

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

5. (1) From and after January 1, 2016, the director of revenue shall distribute to the cities, towns, and villages in group A a portion of the taxes based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087, in accordance with

the formula described in this subsection. After deducting the distribution to the cities, towns, and villages in group A, the director of revenue shall distribute funds in the county sales tax trust fund to the cities, towns, and villages, and the county in group B as follows: to the county which levied the tax, ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated since April 1, 1993, multiplied by the total of all sales tax revenues countywide, and a percentage of the remaining distributable revenue equal to the percentage ratio that the population of unincorporated areas of the county bears to the total population of group B as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087; and to each city, town, or village in group B located wholly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of such city, town, or village bears to the total population of group B, as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087; and to each city, town, or village located partly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of that part of the city, town, or village located within the taxing county bears to the total population of group B, as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087.

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

(3) For purposes of this subsection, if a city, town, or village is partly in group A and partly

in group B, the director of revenue shall calculate fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 by multiplying fifty percent by the amount of all county sales taxes collected by the director of revenue under sections 66.600 to 66.630, less one percent for cost of collection, that are generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087, regardless of whether such taxes are deemed consummated in group A or group B.

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

(2) For purposes of this subsection, the "adjusted county average" is the per capita countywide average of all sales tax distributions during the prior calendar year reduced by the percentage which is equal to ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993; the "redistribution formula" is as follows: During 1994, each group A city, town and village shall receive that portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of 8.5 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. During 1995, each group A city, town and village shall receive that portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of seventeen multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. From January 1, 1996, until January 1, 2000, each group A city, town and village shall receive that portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of 25.5 multiplied by the logarithm (to base 10) of the product of 0.035

multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. From and after January 1, 2000, the distribution formula covering the period from January 1, 1996, until January 1, 2000, shall continue to apply, except that the percentage computed for sales arising within the municipalities shall be not less than 7.5 percent for municipalities within which sales tax revenues exceed the adjusted county average, nor less than 12.5 percent for municipalities within which sales tax revenues exceed the adjusted county average by at least twenty-five percent.

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

(4) Notwithstanding any other provision of this section, the fifty percent of additional sales taxes as described in section 99.845 arising from economic activities within the area of a redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865, while tax increment financing remains in effect shall be deducted from all calculations of countywide sales taxes, shall be distributed directly to the municipality involved, and shall be disregarded in calculating the amounts distributed or distributable to the municipality. Further, any agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of incremental sales tax revenues to the special allocation fund of a tax increment financing project while tax increment financing remains in effect shall continue to be in full force and effect and the sales taxes so appropriated shall be deducted from all calculations of countywide sales taxes, shall be distributed directly to the municipality involved, and shall be disregarded in calculating the amounts distributed or distributable to the municipality. In addition, and notwithstanding any other provision of this chapter to the contrary, economic development funds shall be distributed in full to the municipality in which the sales producing them were deemed consummated. Additionally, economic development funds shall be deducted from all calculations of countywide sales taxes and shall be disregarded in calculating the amounts distributed or distributable to the municipality. As used in this subdivision, the term "economic development funds" means the amount of sales tax revenue generated in any fiscal year by projects authorized pursuant to chapter 99 or chapter 100 in connection with which such sales tax revenue was pledged as security for, or was guaranteed by a developer to be sufficient to pay, outstanding obligations under any agreement authorized by chapter 100, entered into or adopted prior to September 1, 1993, between a municipality and another public body. The cumulative amount of economic development funds allowed under this provision shall not exceed the total amount necessary to amortize the obligations involved.

[6.**]** 7. If the qualified voters of any city, town or village vote to change or alter its boundaries by annexing any unincorporated territory included in group B or if the qualified voters of one or more city, town or village in group A and the qualified voters of one or more city, town or village in group B vote to consolidate, the area annexed or the area consolidated which had been a part of group B shall remain a part of group B after annexation or consolidation. After the effective date of the annexation or consolidation, the annexing or consolidated city, town or village shall receive a percentage of the group B distributable revenue equal to the percentage ratio that the population of the annexed or consolidated area bears to the total population of group B and such annexed area shall not be classified as unincorporated area for determination of the percentage allocable to the county. If the qualified voters of any two or more cities, towns or villages in group A each vote to consolidate such cities, towns or villages, then such consolidated cities, towns or villages shall remain a part of group A. For the purpose of sections 66.600 to 66.630, population shall be as determined by the last federal decennial census or the latest census that determines the total population of the county and all political subdivisions therein. For the purpose of calculating the adjustment based on the percentage of unincorporated county population which is annexed after April 1, 1993, the accumulated percentage immediately before each census shall be used as the new percentage base after such census. After any annexation, incorporation or other municipal boundary change affecting the unincorporated area of the county, the chief elected official of the 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.**]** 8. 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.] 9. 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 any county abolishes the tax, the county shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

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

Further amend said bill, Section 72.401, Page 4, Line 92, by inserting the following after all of said line:

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

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

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

Yes [ ] No [ ]

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

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

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

4. The sales taxes collected by the director of revenue pursuant to this section on behalf of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants shall be deposited in the "County Law Enforcement Sales Tax Trust Fund" created by subsection 5 of section 67.582, 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. The moneys in the trust funds 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 trusts and which were collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of the 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 each month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the tax authorized by this section shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the funds for any functions authorized in the ordinance adopted by the governing body submitting the tax to the voters.

5. 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 any county abolishes the tax, the county shall notify the director of revenue of the action at least ninety days before the effective date of the repeal and the director of revenue may order retention in the appropriate trust fund, for a period of one year, or two percent of the amount collected after receipt of such notice to cover possible refunds and overpayments of the tax and to redeem dishonored

checks and drafts deposited to the credit of such accounts. After one year has elapsed after the abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the accounts of that county established pursuant to this section. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from the receipts due to the county.

6. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall apply to the tax imposed pursuant to this section."; and

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