

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 788

AN ACT

To repeal section 66.620, RSMo, and to enact in lieu thereof two new sections relating to distribution of local sales taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Section 66.620, RSMo, is repealed and two new
2 sections enacted in lieu thereof, to be known as sections 66.620
3 and 94.860, to read as follows:

4 66.620. 1. All county sales taxes collected by the
5 director of revenue under sections 66.600 to 66.630 on behalf of
6 any county, less one percent for cost of collection which shall
7 be deposited in the state's general revenue fund after payment of
8 premiums for surety bonds as provided in section 32.087, shall be
9 deposited in a special trust fund, which is hereby created, to be
10 known as the "County Sales Tax Trust Fund". The moneys in the
11 county sales tax trust fund shall not be deemed to be state funds
12 and shall not be commingled with any funds of the state. The
13 director of revenue shall keep accurate records of the amount of
14 money in the trust fund which was collected in each county
15 imposing a county sales tax, and the records shall be open to the
16 inspection of officers of the county and the public. Not later
17 than the tenth day of each month, the director of revenue shall

1 distribute all moneys deposited in the trust fund during the
2 preceding month to the county which levied the tax; such funds
3 shall be deposited with the [county] treasurer of the county and
4 all expenditures of funds arising from the county sales tax trust
5 fund shall be by an appropriation act to be enacted by the
6 legislative council of the county, and to the cities, towns and
7 villages located wholly or partly within the county which levied
8 the tax in the manner as set forth in sections 66.600 to 66.630.

9 2. In any county not adopting an additional sales tax and
10 alternate distribution system as provided in section 67.581, for
11 the purposes of distributing the county sales tax, the county
12 shall be divided into two groups, "Group A" and "Group B". Group
13 A shall consist of all cities, towns and villages which are
14 located wholly or partly within the county which levied the tax
15 and which had a city sales tax in effect under the provisions of
16 sections 94.500 to 94.550 on the day prior to the adoption of the
17 county sales tax ordinance, except that beginning January 1,
18 1980, group A shall consist of all cities, towns and villages
19 which are located wholly or partly within the county which levied
20 the tax and which had a city sales tax approved by the voters of
21 such city under the provisions of sections 94.500 to 94.550 on
22 the day prior to the effective date of the county sales tax. For
23 the purposes of determining the location of consummation of sales
24 for distribution of funds to cities, towns and villages in group
25 A, the boundaries of any such city, town or village shall be the
26 boundary of that city, town or village as it existed on March 19,
27 1984. Group B shall consist of all cities, towns and villages
28 which are located wholly or partly within the county which levied

1 the tax and which did not have a city sales tax in effect under
2 the provisions of sections 94.500 to 94.550 on the day prior to
3 the adoption of the county sales tax ordinance, and shall also
4 include all unincorporated areas of the county which levied the
5 tax; except that, beginning January 1, 1980, group B shall
6 consist of all cities, towns and villages which are located
7 wholly or partly within the county which levied the tax and which
8 did not have a city sales tax approved by the voters of such city
9 under the provisions of sections 94.500 to 94.550 on the day
10 prior to the effective date of the county sales tax and shall
11 also include all unincorporated areas of the county which levied
12 the tax.

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

1 city, town or village located partly within the taxing county, a
2 percentage of the distributable revenue equal to the percentage
3 ratio that the population of that part of the city, town or
4 village located within the taxing county bears to the total
5 population of group B.

6 4. From [and after] January 1, 1994, until December 31,
7 2016, the director of revenue shall distribute to the cities,
8 towns and villages in group A a portion of the taxes based on the
9 location in which the sales were deemed consummated under section
10 66.630 and subsection 12 of section 32.087 in accordance with the
11 formula described in this subsection and in subsection 6 of this
12 section. After deducting the distribution to the cities, towns
13 and villages in group A, the director of revenue shall distribute
14 funds in the county sales tax trust fund to the cities, towns and
15 villages and the county in group B as follows: To the county
16 which levied the tax, ten percent multiplied by the percentage of
17 the population of unincorporated county which has been annexed or
18 incorporated since April 1, 1993, multiplied by the total of all
19 sales tax revenues countywide, and a percentage of the remaining
20 distributable revenue equal to the percentage ratio that the
21 population of unincorporated areas of the county bears to the
22 total population of group B; and to each city, town or village in
23 group B located wholly within the taxing county, a percentage of
24 the remaining distributable revenue equal to the percentage ratio
25 that the population of such city, town or village bears to the
26 total population of group B; and to each city, town or village
27 located partly within the taxing county, a percentage of the
28 remaining distributable revenue equal to the percentage ratio

1 that the population of that part of the city, town or village
2 located within the taxing county bears to the total population of
3 group B.

4 5. (1) From and after January 1, 2017, in each year in
5 which the total revenues from the county sales tax collected
6 under sections 66.600 to 66.630 in the previous calendar year is
7 less than or equal to the amount of such revenues which were
8 collected in the calendar year 2014, the director of revenue
9 shall distribute to the cities, towns, and villages in group A,
10 and the cities, towns, and villages, and the county in group B,
11 the amounts required to be distributed under the formula
12 described in subsections 4 and 6 of this section. From and after
13 January 1, 2017, in each year in which the total revenues from
14 the county sales tax collected under sections 66.600 to 66.630 in
15 the previous calendar year is greater than the amount of such
16 revenues which were collected in the calendar year 2014, the
17 director of revenue shall distribute to the cities, towns, and
18 villages in group A a portion of the taxes based on the location
19 in which the sales were deemed consummated under section 66.630
20 and subsection 12 of section 32.087, in accordance with the
21 formula described in this subsection and in subsection 6 of this
22 section. After deducting the distribution to the cities, towns,
23 and villages in group A, the director of revenue shall, subject
24 to the limitation described in subdivision (2) of this
25 subsection, distribute funds in the county sales tax trust fund
26 to the cities, towns, and villages, and the county in group B as
27 follows: to the county which levied the tax, ten percent
28 multiplied by the percentage of the population of unincorporated

1 county which has been annexed or incorporated since April 1,
2 1993, multiplied by the total of all sales tax revenues
3 countywide, and a percentage of the remaining distributable
4 revenue equal to the percentage ratio that the population of
5 unincorporated areas of the county bears to the total population
6 of group B as adjusted such that no city, town, or village in
7 group B shall receive a distribution that is less than fifty
8 percent of the amount of taxes generated within such city, town,
9 or village based on the location in which the sales were deemed
10 consummated under section 66.630 and subsection 12 of section
11 32.087; and to each city, town, or village in group B located
12 wholly within the taxing county, a percentage of the remaining
13 distributable revenue equal to the percentage ratio that the
14 population of such city, town, or village bears to the total
15 population of group B, as adjusted such that no city, town, or
16 village in group B shall receive a distribution that is less than
17 fifty percent of the amount of taxes generated within such city,
18 town, or village based on the location in which the sales were
19 deemed consummated under section 66.630 and subsection 12 of
20 section 32.087; and to each city, town, or village located partly
21 within the taxing county, a percentage of the remaining
22 distributable revenue equal to the percentage ratio that the
23 population of that part of the city, town, or village located
24 within the taxing county bears to the total population of group
25 B, as adjusted such that no city, town, or village in group B
26 shall receive a distribution that is less than fifty percent of
27 the amount of taxes generated within such city, town, or village
28 based on the location in which the sales were deemed consummated

1 under section 66.630 and subsection 12 of section 32.087.

2 (2) For purposes of making any adjustment required by this
3 subsection, the director of revenue shall, prior to any
4 distribution to the county or to each city, town, or village in
5 group B located wholly or partly within the taxing county,
6 identify each city, town, or village in group B located wholly or
7 partly within the taxing county that would receive a distribution
8 that is less than fifty percent of the amount of taxes generated
9 within such city, town, or village based on the location in which
10 the sales were deemed consummated under section 66.630 and
11 subsection 12 of section 32.087 if no adjustments were made and
12 calculate the difference between the amount that the distribution
13 to each such city, town, or village would have been without any
14 adjustment and the amount that equals fifty percent of the amount
15 of taxes generated within such city, town, or village based on
16 the location in which the sales were deemed consummated under
17 section 66.630 and subsection 12 of section 32.087. Thereafter,
18 the director of revenue shall determine the amount of any
19 adjustment under this subsection as follows:

20 (a) If the aggregate amount of the difference calculated in
21 accordance with this subsection is less than or equal to the
22 aggregate increase in the remaining distributable revenue for the
23 applicable period in the current calendar year over the remaining
24 distributable revenue for the corresponding period in the
25 calendar year 2014, the director of revenue shall deduct the
26 amount of such difference from the remaining distributable
27 revenue and distribute an allowable portion of the amount of such
28 difference to each city, town, or village that would otherwise

1 have received a distribution that is less than fifty percent of
2 the amount of taxes generated within such city, town, or village
3 based on the location in which the sales were deemed consummated
4 under section 66.630 and subsection 12 of section 32.087 if no
5 adjustments were made, such that each such city, town, or village
6 receives a distribution that is equal to fifty percent of the
7 amount of taxes generated within such city, town, or village
8 based on the location in which the sales were deemed consummated
9 under section 66.630 and subsection 12 of section 32.087;

10 (b) If, however, the aggregate amount of the difference
11 calculated in accordance with this subsection is greater than the
12 aggregate increase in the remaining distributable revenue for the
13 applicable period in the current calendar year over the remaining
14 distributable revenue for the corresponding period in the
15 calendar year 2014, the director of revenue shall deduct from the
16 remaining distributable revenue an amount equal to the difference
17 between the remaining distributable revenue for the applicable
18 period in the current calendar year and the remaining
19 distributable revenue for the corresponding period in the
20 calendar year 2014 and distribute an allocable portion of the
21 amount of such difference to each city, town, or village that
22 would otherwise have received a distribution that is less than
23 fifty percent of the amount of taxes generated with such city,
24 town, or village based on the location in which the sales were
25 deemed consummated under section 66.630 and subsection 12 of
26 section 32.087 if no adjustments were made, such that each such
27 city, town, or village receives a distribution that includes an
28 adjustment that is proportionate to the amount of the adjustment

1 that would otherwise have been made if such adjustments were
2 calculated in accordance with paragraph (a) of this subsection;

3 (c) After determining the amount of the adjustment and
4 making the allocation in accordance with paragraphs (a) or (b) of
5 this subdivision, as applicable, the director of revenue shall
6 thereafter distribute the remaining distributable revenue, as
7 adjusted, to the county and to each city, town, or village in
8 group B located wholly or partly within the taxing county in the
9 manner provided in this subsection;

10 (3) For purposes of this subsection, if a city, town, or
11 village is partly in group A and partly in group B, the director
12 of revenue shall calculate fifty percent of the amount of taxes
13 generated within such city, town, or village based on the
14 location in which the sales were deemed consummated under section
15 66.630 and subsection 12 of section 32.087 by multiplying fifty
16 percent by the amount of all county sales taxes collected by the
17 director of revenue under sections 66.600 to 66.630, less one
18 percent for cost of collection, that are generated within such
19 city, town, or village based on the location in which the sales
20 were deemed consummated under section 66.630 and subsection 12 of
21 section 32.087, regardless of whether such taxes are deemed
22 consummated in group A or group B.

23 6. (1) For purposes of administering the distribution
24 formula of [subsection] subsections 4 and 5 of this section, the
25 revenues arising each year from sales occurring within each group
26 A city, town or village shall be distributed as follows: Until
27 such revenues reach the adjusted county average, as hereinafter
28 defined, there shall be distributed to the city, town or village

1 all of such revenues reduced by the percentage which is equal to
2 ten percent multiplied by the percentage of the population of
3 unincorporated county which has been annexed or incorporated
4 after April 1, 1993; and once revenues exceed the adjusted county
5 average, total revenues shall be shared in accordance with the
6 redistribution formula as defined in this subsection.

7 (2) For purposes of this subsection, the "adjusted county
8 average" is the per capita countywide average of all sales tax
9 distributions during the prior calendar year reduced by the
10 percentage which is equal to ten percent multiplied by the
11 percentage of the population of unincorporated county which has
12 been annexed or incorporated after April 1, 1993; the
13 "redistribution formula" is as follows: During 1994, each group
14 A city, town and village shall receive that portion of the
15 revenues arising from sales occurring within the municipality
16 that remains after deducting therefrom an amount equal to the
17 cumulative sales tax revenues arising from sales within the
18 municipality multiplied by the percentage which is the sum of ten
19 percent multiplied by the percentage of the population of
20 unincorporated county which has been annexed or incorporated
21 after April 1, 1993, and the percentage, if greater than zero,
22 equal to the product of 8.5 multiplied by the logarithm (to base
23 10) of the product of 0.035 multiplied by the total of cumulative
24 per capita sales taxes arising from sales within the municipality
25 less the adjusted county average. During 1995, each group A
26 city, town and village shall receive that portion of the revenues
27 arising from sales occurring within the municipality that remains
28 after deducting therefrom an amount equal to the cumulative sales

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

1 adjusted county average by at least twenty-five percent.

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

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

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

21 [6.] 7. If the qualified voters of any city, town or
22 village vote to change or alter its boundaries by annexing any
23 unincorporated territory included in group B or if the qualified
24 voters of one or more city, town or village in group A and the
25 qualified voters of one or more city, town or village in group B
26 vote to consolidate, the area annexed or the area consolidated
27 which had been a part of group B shall remain a part of group B
28 after annexation or consolidation. After the effective date of

1 the annexation or consolidation, the annexing or consolidated
2 city, town or village shall receive a percentage of the group B
3 distributable revenue equal to the percentage ratio that the
4 population of the annexed or consolidated area bears to the total
5 population of group B and such annexed area shall not be
6 classified as unincorporated area for determination of the
7 percentage allocable to the county. If the qualified voters of
8 any two or more cities, towns or villages in group A each vote to
9 consolidate such cities, towns or villages, then such
10 consolidated cities, towns or villages shall remain a part of
11 group A. For the purpose of sections 66.600 to 66.630,
12 population shall be as determined by the last federal decennial
13 census or the latest census that determines the total population
14 of the county and all political subdivisions therein. For the
15 purpose of calculating the adjustment based on the percentage of
16 unincorporated county population which is annexed after April 1,
17 1993, the accumulated percentage immediately before each census
18 shall be used as the new percentage base after such census.
19 After any annexation, incorporation or other municipal boundary
20 change affecting the unincorporated area of the county, the chief
21 elected official of the county shall certify the new population
22 of the unincorporated area of the county and the percentage of
23 the population which has been annexed or incorporated since April
24 1, 1993, to the director of revenue. After the adoption of the
25 county sales tax ordinance, any city, town or village in group A
26 may by adoption of an ordinance by its governing body cease to be
27 a part of group A and become a part of group B. Within ten days
28 after the adoption of the ordinance transferring the city, town

1 or village from one group to the other, the clerk of the
2 transferring city, town or village shall forward to the director
3 of revenue, by registered mail, a certified copy of the
4 ordinance. Distribution to such city as a part of its former
5 group shall cease and as a part of its new group shall begin on
6 the first day of January of the year following notification to
7 the director of revenue, provided such notification is received
8 by the director of revenue on or before the first day of July of
9 the year in which the transferring ordinance is adopted. If such
10 notification is received by the director of revenue after the
11 first day of July of the year in which the transferring ordinance
12 is adopted, then distribution to such city as a part of its
13 former group shall cease and as a part of its new group shall
14 begin the first day of July of the year following such
15 notification to the director of revenue. Once a group A city,
16 town or village becomes a part of group B, such city may not
17 transfer back to group A.

18 [7.] 8. If any city, town or village shall hereafter change
19 or alter its boundaries, the city clerk of the municipality shall
20 forward to the director of revenue, by registered mail, a
21 certified copy of the ordinance adding or detaching territory
22 from the municipality. The ordinance shall reflect the effective
23 date thereof, and shall be accompanied by a map of the
24 municipality clearly showing the territory added thereto or
25 detached therefrom. Upon receipt of the ordinance and map, the
26 tax imposed by sections 66.600 to 66.630 shall be redistributed
27 and allocated in accordance with the provisions of this section
28 on the effective date of the change of the municipal boundary so

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

17 [8.] 9. The director of revenue may [authorize the state
18 treasurer to] make refunds from the amounts in the trust fund and
19 credited to any county for erroneous payments and overpayments
20 made, and may redeem dishonored checks and drafts deposited to
21 the credit of such counties. If any county abolishes the tax,
22 the county shall notify the director of revenue of the action at
23 least ninety days prior to the effective date of the repeal and
24 the director of revenue may order retention in the trust fund,
25 for a period of one year, of two percent of the amount collected
26 after receipt of such notice to cover possible refunds or
27 overpayment of the tax and to redeem dishonored checks and drafts
28 deposited to the credit of such accounts. After one year has

1 elapsed after the effective date of abolition of the tax in such
2 county, the director of revenue shall remit the balance in the
3 account to the county and close the account of that county. The
4 director of revenue shall notify each county of each instance of
5 any amount refunded or any check redeemed from receipts due the
6 county.

7 [9.] 10. Except as modified in sections 66.600 to 66.630,
8 all provisions of sections 32.085 and 32.087 shall apply to the
9 tax imposed under sections 66.600 to 66.630.

10 94.860. 1. Notwithstanding the provisions of subsection 1
11 of section 67.582, the governing body of a charter county with a
12 population of nine hundred fifty thousand or more is authorized
13 to impose by ordinance a sales tax in the amount of up to one-
14 half of one percent on all retail sales made in the part of the
15 county outside of incorporated cities, towns, and villages which
16 are subject to taxation pursuant to sections 144.010 to 144.525
17 for the purpose of providing law enforcement services to such
18 county. The tax authorized by this section shall be in addition
19 to any and all other sales taxes allowed by law, except that no
20 ordinance imposing a sales tax pursuant to this section shall be
21 effective unless the governing body of the county submits to the
22 voters residing in the part of the county outside of incorporated
23 cities, towns, and villages, at a county or state general,
24 primary, or special election, a proposal to authorize the
25 governing body of the county to impose a tax.

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

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

7 YES NO

8 If you are in favor of the question, place an "X" in the box
9 opposite "YES". If you are opposed to the question, place an "X"
10 in the box opposite "NO".

11
12 If a majority of the votes cast on the proposal by the qualified
13 voters voting thereon are in favor of the proposal submitted
14 pursuant to this subsection, then the ordinance and any
15 amendments thereto shall be in effect on the first day of the
16 second quarter immediately following the election approving the
17 proposal. If a proposal receives less than the required
18 majority, then the governing body of the county shall have no
19 power to impose the sales tax herein authorized unless and until
20 the governing body of the county shall again have submitted
21 another proposal to authorize the governing body of the county to
22 impose the sales tax authorized by this section and such proposal
23 is approved by the required majority of the qualified voters
24 voting thereon. However, in no event shall a proposal pursuant
25 to this section be submitted sooner than thirty-six months from
26 the date of the last proposal pursuant to this section. If a
27 majority of the voters fail to approve such proposal the second
28 time offered, then the governing body of the county shall have no

1 power to impose the sales tax authorized by this section or
2 submit such proposal to the qualified voters a third time.

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

15 4. The sales taxes collected by the director of revenue
16 pursuant to this section on behalf of a charter county with a
17 population of nine hundred fifty thousand or more shall be
18 deposited in the "County Law Enforcement Sales Tax Trust Fund"
19 created by subsection 5 of section 67.582, less one percent for
20 cost of collection which shall be deposited in the state's
21 general revenue fund after payment of premiums for surety bonds
22 as provided in section 32.087. The moneys in the trust fund
23 shall not be deemed to be state funds and shall not be commingled
24 with any funds of the state. The director of revenue shall keep
25 accurate records of the amount of money in the trusts and which
26 were collected in each county imposing a sales tax under this
27 section, and the records shall be open to the inspection of the
28 officers of the county and the public. Not later than the tenth

1 day of each month the director of revenue shall distribute all
2 moneys deposited in the trust fund during each month to the
3 county which levied the tax; such funds shall be deposited with
4 the county treasurer of each such county, and all expenditures of
5 funds arising from the tax authorized by this section shall be by
6 an appropriation act to be enacted by the governing body of each
7 such county. Expenditures may be made from the funds for any
8 functions authorized in the ordinance adopted by the governing
9 body submitting the tax to the voters.

10 5. The director of revenue may authorize the state
11 treasurer to make refunds from the amounts in the trust fund and
12 credited to any county for erroneous payments and overpayments
13 made, and may redeem dishonored checks and drafts deposited to
14 the credit of such counties. If any county abolishes the tax,
15 the county shall notify the director of revenue of the action at
16 least ninety days before the effective date of the repeal and the
17 director of revenue may order retention in the appropriate trust
18 fund, for a period of one year, or two percent of the amount
19 collected after receipt of such notice to cover possible refunds
20 and overpayments of the tax and to redeem dishonored checks and
21 drafts deposited to the credit of such accounts. After one year
22 has elapsed after the abolition of the tax in such county, the
23 director of revenue shall remit the balance in the account to the
24 county and close the accounts of that county established pursuant
25 to this section. The director of revenue shall notify each
26 county of each instance of any amount refunded or any check
27 redeemed from the receipts due to the county.

28 6. Except as modified in this section, all provisions of

1 sections 32.085 and 32.087 shall apply to the tax imposed
2 pursuant to this section.