

SECOND REGULAR SESSION

SENATE BILL NO. 1123

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHUPP.

Read 1st time March 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6615S.03I

AN ACT

To repeal sections 66.620 and 94.857, RSMo, and to enact in lieu thereof three new sections relating to sales taxes.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 66.620 and 94.857, RSMo, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 66.620, 67.759, and
3 94.857, to read as follows:

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

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 2. In any county not adopting an additional sales tax and alternate
20 distribution system as provided in section 67.581, for the purposes of distributing
21 the county sales tax, the county shall be divided into two groups, "Group A" and
22 "Group B". Group A shall consist of all cities, towns and villages which are
23 located wholly or partly within the county which levied the tax and which had a
24 city sales tax in effect under the provisions of sections 94.500 to 94.550 on the
25 day prior to the adoption of the county sales tax ordinance[.]; except that
26 beginning January 1, 1980, group A shall consist of all cities, towns and villages
27 which are located wholly or partly within the county which levied the tax and
28 which had a city sales tax approved by the voters of such city under the
29 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the
30 county sales tax; **and except that if the county adopts the sales tax**
31 **provided by section 67.759, group A shall consist of all unincorporated**
32 **areas of the county that levied the tax and all cities, towns, and villages**
33 **that are located wholly or partly within the county which levied the tax**
34 **and that had a city sales tax approved by the voters of such city under**
35 **sections 94.500 to 94.550 on the day prior to the effective date of the**
36 **county sales tax. If the county has not adopted the sales tax provided**
37 **by section 67.759, for the purposes of determining the location of consummation**
38 **of sales for distribution of funds to cities, towns and villages in group A, the**
39 **boundaries of any such city, town or village shall be the boundary of that city,**
40 **town or village as it existed on March 19, 1984. Group B shall consist of all**
41 **cities, towns and villages which are located wholly or partly within the county**
42 **which levied the tax and which did not have a city sales tax in effect under the**
43 **provisions of sections 94.500 to 94.550 on the day prior to the adoption of the**
44 **county sales tax ordinance, and shall also include all unincorporated areas of the**
45 **county which levied the tax; except that, beginning January 1, 1980, Group B**
46 **shall consist of all cities, towns and villages which are located wholly or partly**
47 **within the county which levied the tax and which did not have a city sales tax**
48 **approved by the voters of such city under the provisions of sections 94.500 to**
49 **94.550 on the day prior to the effective date of the county sales tax and shall also**
50 **include all unincorporated areas of the county which levied the tax; except that,**
51 **if the county adopts the sales tax provided by section 67.759, group B**
52 **shall consist of all cities, towns, and villages that are located wholly or**
53 **partly within the county that levied the tax and that did not have a city**
54 **sales tax approved by the voters of such city under the provisions of**

55 **sections 94.500 to 94.550 on the day prior to the effective date of the**
56 **county sales tax.**

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

74 4. [From] **(1) On** and after January 1, 1994, **if a county has not**
75 **adopted the sales tax provided by section 67.759**, the director of revenue
76 shall distribute to the cities, towns and villages in group A a portion of the taxes
77 based on the location in which the sales were deemed consummated under section
78 66.630 and subsection 12 of section 32.087 in accordance with the formula
79 described in this subsection. After deducting the distribution to the cities, towns
80 and villages in group A, the director of revenue shall distribute funds in the
81 county sales tax trust fund to the cities, towns and villages and the county in
82 group B as follows: To the county which levied the tax, ten percent multiplied by
83 the percentage of the population of unincorporated county which has been
84 annexed or incorporated since April 1, 1993, multiplied by the total of all sales
85 tax revenues countywide, and a percentage of the remaining distributable revenue
86 equal to the percentage ratio that the population of unincorporated areas of the
87 county bears to the total population of group B; and to each city, town or village
88 in group B located wholly within the taxing county, a percentage of the remaining
89 distributable revenue equal to the percentage ratio that the population of such
90 city, town or village bears to the total population of group B; and to each city,

91 town or village located partly within the taxing county, a percentage of the
92 remaining distributable revenue equal to the percentage ratio that the population
93 of that part of the city, town or village located within the taxing county bears to
94 the total population of group B.

95 **(2) If a county has adopted the sales tax provided by section**
96 **67.759, the director of revenue shall distribute to the group A**
97 **participants a portion of the taxes based on the location where the**
98 **sales were deemed consummated under section 66.630 and subsection**
99 **12 of section 32.087 in accordance with the formula under this**
100 **subsection. After deducting the distribution to the group A**
101 **participants, the director of revenue shall distribute funds in the**
102 **county sales tax trust fund to the cities, towns, and villages in group B**
103 **as follows:**

104 **(a) To each city, town, or village in group B located wholly**
105 **within the taxing county, a percentage of the remaining distributable**
106 **revenue equal to the percentage ratio that the population of such city,**
107 **town, or village bears to the total population of group B; and**

108 **(b) To each city, town, or village located partly within the taxing**
109 **county, a percentage of the remaining distributable revenue equal to**
110 **the percentage ratio that the population of that part of the city, town,**
111 **or village located within the taxing county bears to the total population**
112 **of group B.**

113 5. (1) For purposes of administering the distribution formula of
114 subsection 4 of this section[.]:

115 **(a) If the county has not adopted the sales tax provided by**
116 **section 67.759, the revenues arising each year from sales occurring within each**
117 **group A city, town or village shall be distributed as follows:**

118 **a.** Until such revenues reach the adjusted county average, as hereinafter
119 defined, there shall be distributed to the city, town or village all of such revenues
120 reduced by the percentage which is equal to ten percent multiplied by the
121 percentage of the population of unincorporated county which has been annexed
122 or incorporated after April 1, 1993; and

123 **b.** Once revenues exceed the adjusted county average, total revenues shall
124 be shared in accordance with the redistribution formula as defined in this
125 subsection.

126 **(b) Upon adoption of the sales tax provided by section 67.759, the**

127 revenues arising each year from sales occurring within each group A
128 participant shall be distributed as follows:

129 a. Until such revenues reach the adjusted county average, as
130 hereinafter defined, there shall be distributed to the county on behalf
131 of its unincorporated area and each city, town, or village all of such
132 revenues; and

133 b. Once revenues exceed the adjusted county average, total
134 revenues shall be shared in accordance with the redistribution formula
135 under this subsection.

136 (2) For purposes of this subsection[,]:

137 (a) If a county has not adopted the sales tax provided by section
138 67.759, the "adjusted county average" is the per capita countywide average of all
139 sales tax distributions during the prior calendar year reduced by the percentage
140 which is equal to ten percent multiplied by the percentage of the population of
141 unincorporated county which has been annexed or incorporated after April 1,
142 1993; the "redistribution formula" is as follows: During 1994, each group A city,
143 town and village shall receive that portion of the revenues arising from sales
144 occurring within the municipality that remains after deducting therefrom an
145 amount equal to the cumulative sales tax revenues arising from sales within the
146 municipality multiplied by the percentage which is the sum of ten percent
147 multiplied by the percentage of the population of unincorporated county which
148 has been annexed or incorporated after April 1, 1993, and the percentage, if
149 greater than zero, equal to the product of 8.5 multiplied by the logarithm (to base
150 10) of the product of 0.035 multiplied by the total of cumulative per capita sales
151 taxes arising from sales within the municipality less the adjusted county
152 average. During 1995, each group A city, town and village shall receive that
153 portion of the revenues arising from sales occurring within the municipality that
154 remains after deducting therefrom an amount equal to the cumulative sales tax
155 revenues arising from sales within the municipality multiplied by the percentage
156 which is the sum of ten percent multiplied by the percentage of the population of
157 unincorporated county which has been annexed or incorporated after April 1,
158 1993, and the percentage, if greater than zero, equal to the product of seventeen
159 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the
160 total of cumulative per capita sales taxes arising from sales within the
161 municipality less the adjusted county average. From January 1, 1996, until
162 January 1, 2000, each group A city, town and village shall receive that portion of

163 the revenues arising from sales occurring within the municipality that remains
164 after deducting therefrom an amount equal to the cumulative sales tax revenues
165 arising from sales within the municipality multiplied by the percentage which is
166 the sum of ten percent multiplied by the percentage of the population of
167 unincorporated county which has been annexed or incorporated after April 1,
168 1993, and the percentage, if greater than zero, equal to the product of 25.5
169 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the
170 total of cumulative per capita sales taxes arising from sales within the
171 municipality less the adjusted county average. From and after January 1, 2000,
172 the distribution formula covering the period from January 1, 1996, until January
173 1, 2000, shall continue to apply, except that the percentage computed for sales
174 arising within the municipalities shall be not less than 7.5 percent for
175 municipalities within which sales tax revenues exceed the adjusted county
176 average, nor less than 12.5 percent for municipalities within which sales tax
177 revenues exceed the adjusted county average by at least twenty-five percent.

178 **(b) If the county has adopted the sales tax provided by section**
179 **67.759, the "adjusted county average" is the per capita countywide**
180 **average of all sales tax distributions during the prior calendar**
181 **year. Each group A participant shall receive that portion of the**
182 **revenues arising from sales occurring within the municipality or, in the**
183 **case of the county, the unincorporated area of the county that remains**
184 **after deducting therefrom the percentage, if greater than zero, equal**
185 **to the product of twenty-five and one-half multiplied by the base ten**
186 **logarithm of the product of thirty-five thousandths multiplied by the**
187 **total of cumulative per capita sales taxes arising from sales within the**
188 **municipality or, in the case of the county, the unincorporated area of**
189 **the county less the adjusted county average. The percentage for sales**
190 **arising within the municipalities or, in the case of the county, the**
191 **unincorporated area of the county shall be not less than seven and one-**
192 **half percent for municipalities or areas within which sales tax revenues**
193 **exceed the adjusted county average, nor less than twelve and one-half**
194 **percent for municipalities or areas within which sales tax revenues**
195 **exceed the adjusted county average by at least twenty-five**
196 **percent. Notwithstanding the provisions of this section, the county's**
197 **portion shall be reduced by the difference between what its total share**
198 **would have been as a group B participant under the formula in effect**

199 **prior to the effective date of an ordinance or order imposing a sales tax**
200 **under section 67.759 and its total share under this paragraph as of the**
201 **effective date of an ordinance or order imposing a sales tax under**
202 **section 67.759, and the amount of such reduction shall be distributed**
203 **among all cities, towns, and villages in the county on a per capita basis.**

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

211 (4) Notwithstanding any other provision of this section, the fifty percent
212 of additional sales taxes as described in section 99.845 arising from economic
213 activities within the area of a redevelopment project established after July 12,
214 1990, pursuant to sections 99.800 to 99.865, while tax increment financing
215 remains in effect shall be deducted from all calculations of countywide sales
216 taxes, shall be distributed directly to the municipality involved **or the**
217 **unincorporated area of the county**, and shall be disregarded in calculating
218 the amounts distributed or distributable to the municipality **or unincorporated**
219 **area of the county**. Further, any agreement, contract or covenant entered into
220 prior to July 12, 1990, between a municipality and any other political subdivision
221 which provides for an appropriation of incremental sales tax revenues to the
222 special allocation fund of a tax increment financing project while tax increment
223 financing remains in effect shall continue to be in full force and effect and the
224 sales taxes so appropriated shall be deducted from all calculations of countywide
225 sales taxes, shall be distributed directly to the municipality **or unincorporated**
226 **area of the county** involved, and shall be disregarded in calculating the
227 amounts distributed or distributable to the municipality **or unincorporated**
228 **area of the county**. In addition, and notwithstanding any other provision of
229 this chapter to the contrary, economic development funds shall be distributed in
230 full to the municipality **or unincorporated area of the county** in which the
231 sales producing them were deemed consummated. Additionally, economic
232 development funds shall be deducted from all calculations of countywide sales
233 taxes and shall be disregarded in calculating the amounts distributed or
234 distributable to the municipality **or unincorporated area of the county**. As

235 used in this subdivision, the term "economic development funds" means the
236 amount of sales tax revenue generated in any fiscal year by projects authorized
237 pursuant to chapter 99 or chapter 100 in connection with which such sales tax
238 revenue was pledged as security for, or was guaranteed by a developer to be
239 sufficient to pay, outstanding obligations under any agreement authorized by
240 chapter 100, entered into or adopted prior to September 1, 1993, between a
241 municipality **or unincorporated area of the county** and another public
242 body. The cumulative amount of economic development funds allowed under this
243 provision shall not exceed the total amount necessary to amortize the obligations
244 involved.

245 **6. (1) If the county has not adopted the sales tax as provided by**
246 **section 67.759**, if the qualified voters of any city, town or village vote to change
247 or alter its boundaries by annexing any unincorporated territory included in
248 group B or if the qualified voters of one or more city, town or village in group A
249 and the qualified voters of one or more city, town or village in group B vote to
250 consolidate, the area annexed or the area consolidated which had been a part of
251 group B shall remain a part of group B after annexation or consolidation. After
252 the effective date of the annexation or consolidation, the annexing or consolidated
253 city, town or village shall receive a percentage of the group B distributable
254 revenue equal to the percentage ratio that the population of the annexed or
255 consolidated area bears to the total population of group B and such annexed area
256 shall not be classified as unincorporated area for determination of the percentage
257 allocable to the county. If the qualified voters of any two or more cities, towns or
258 villages in group A each vote to consolidate such cities, towns or villages, then
259 such consolidated cities, towns or villages shall remain a part of group A. For the
260 purpose of sections 66.600 to 66.630, population shall be as determined by the
261 last federal decennial census or the latest census that determines the total
262 population of the county and all political subdivisions therein. For the purpose
263 of calculating the adjustment based on the percentage of unincorporated county
264 population which is annexed after April 1, 1993, the accumulated percentage
265 immediately before each census shall be used as the new percentage base after
266 such census. After any annexation, incorporation or other municipal boundary
267 change affecting the unincorporated area of the county, the chief elected official
268 of the county shall certify the new population of the unincorporated area of the
269 county and the percentage of the population which has been annexed or
270 incorporated since April 1, 1993, to the director of revenue. After the adoption

271 of the county sales tax ordinance, any city, town or village in group A may by
272 adoption of an ordinance by its governing body cease to be a part of group A and
273 become a part of group B.

274 **(2) If the county has adopted the sales tax provided by section**
275 **67.759, and if the qualified voters of one or more city, town, or village**
276 **in group B vote to consolidate, the area annexed or the area**
277 **consolidated that was a part of group B shall remain a part of group B**
278 **after annexation or consolidation. After the effective date of the**
279 **consolidation, the consolidated city, town, or village shall receive a**
280 **percentage of the group B distributable revenue equal to the**
281 **percentage ratio that the population of the consolidated area bears to**
282 **the total population of group B. If the qualified voters of any two or**
283 **more cities, towns, or villages in group A each vote to consolidate such**
284 **cities, towns, or villages, then such consolidated cities, towns, or**
285 **villages shall remain a part of group A. For the purpose of sections**
286 **66.600 to 66.630, population shall be as determined by the last federal**
287 **decennial census or the latest census that determines the total**
288 **population of the county and all political subdivisions therein. After**
289 **the adoption of the county sales tax ordinance, only cities, towns, and**
290 **villages in group A may, by adoption of an ordinance by its governing**
291 **body, cease to be a part of group A and become a part of group B. The**
292 **unincorporated area of the county shall remain in group A.**

293 **(3) Within ten days after the adoption of the ordinance transferring the**
294 **city, town or village from one group to the other, the clerk of the transferring city,**
295 **town or village shall forward to the director of revenue, by registered mail, a**
296 **certified copy of the ordinance. Distribution to such city as a part of its former**
297 **group shall cease and as a part of its new group shall begin on the first day of**
298 **January of the year following notification to the director of revenue, provided**
299 **such notification is received by the director of revenue on or before the first day**
300 **of July of the year in which the transferring ordinance is adopted. If such**
301 **notification is received by the director of revenue after the first day of July of the**
302 **year in which the transferring ordinance is adopted, then distribution to such city**
303 **as a part of its former group shall cease and as a part of its new group shall begin**
304 **the first day of July of the year following such notification to the director of**
305 **revenue. Once a group A city, town or village becomes a part of group B, such**
306 **city may not transfer back to group A.**

307 7. If any city, town or village shall hereafter change or alter its
308 boundaries, the city clerk of the municipality shall forward to the director of
309 revenue, by registered mail, a certified copy of the ordinance adding or detaching
310 territory from the municipality. The ordinance shall reflect the effective date
311 thereof, and shall be accompanied by a map of the municipality clearly showing
312 the territory added thereto or detached therefrom. Upon receipt of the ordinance
313 and map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and
314 allocated in accordance with the provisions of this section on the effective date of
315 the incorporation. Upon receipt of the incorporation election returns and map,
316 the tax imposed by sections 66.600 to 66.630 shall be distributed and allocated
317 in accordance with the provisions of this section on the effective date of the
318 incorporation.

319 8. The director of revenue may authorize the state treasurer to make
320 refunds from the amounts in the trust fund and credited to any county for
321 erroneous payments and overpayments made, and may redeem dishonored checks
322 and drafts deposited to the credit of such counties. If any county abolishes the
323 tax, the county shall notify the director of revenue of the action at least ninety
324 days prior to the effective date of the repeal and the director of revenue may
325 order retention in the trust fund, for a period of one year, of two percent of the
326 amount collected after receipt of such notice to cover possible refunds or
327 overpayment of the tax and to redeem dishonored checks and drafts deposited to
328 the credit of such accounts. After one year has elapsed after the effective date of
329 abolition of the tax in such county, the director of revenue shall remit the balance
330 in the account to the county and close the account of that county. The director
331 of revenue shall notify each county of each instance of any amount refunded or
332 any check redeemed from receipts due the county.

333 9. Except as modified in sections 66.600 to 66.630, all provisions of
334 sections 32.085 and 32.087 shall apply to the tax imposed under sections 66.600
335 to 66.630.

**67.759. 1. The governing body of any county with a charter form
2 of government and with more than nine hundred fifty thousand
3 inhabitants is hereby authorized to impose, by ordinance or order, a
4 sales tax in the amount of up to one-quarter of one percent on all retail
5 sales made in such county that are subject to taxation under sections
6 144.010 to 144.525 for the purpose of providing law enforcement
7 services for the county. The tax authorized under this section shall be**

8 in addition to any and all other sales taxes allowed by law, except that
9 no ordinance or order imposing a sales tax under this section shall be
10 effective unless the governing body of the county submits to the voters
11 of the county, at a county or state general, primary, or special election,
12 a proposal to authorize the governing body of the county to impose a
13 tax.

14 2. The ballot of submission shall contain, but need not be limited
15 to, the following language:

16 Shall the county of (county's name) impose a countywide
17 sales tax of (insert percentage) for the purpose of providing law
18 enforcement services for the county?

19 ☐ YES ☐ NO

20 If you are in favor of the question, place an "X" in the box opposite
21 "YES". If you are opposed to the question, place an "X" in the box
22 opposite "NO".

23 If a majority of the votes cast on the proposal by the qualified voters
24 voting thereon are in favor of the proposal submitted pursuant to this
25 subsection, then the ordinance or order shall be in effect on the first
26 day of the second quarter immediately following the election approving
27 the proposal. If the proposal receives less than the required majority,
28 then the governing body of the county shall not impose the sales tax
29 authorized under this section unless and until the governing body of
30 the county submits another proposal to authorize the governing body
31 of the county to impose the sales tax authorized by this section and
32 such proposal is approved by the required majority of the qualified
33 voters voting thereon. However, in no event shall a proposal pursuant
34 to this section be submitted to the voters sooner than twelve months
35 from the date of the last proposal pursuant to this section.

36 3. All revenue received by a county from the tax authorized
37 under this section shall be deposited in a special trust fund and shall
38 be used solely for providing law enforcement services for such county
39 for so long as the tax shall remain in effect. The governing body of the
40 county shall use the proceeds of the tax prescribed under this section
41 solely for providing law enforcement services in the county including,
42 but not limited to, at the request of municipal police departments and
43 at no cost to municipalities, "specialized police services" and

44 **support. Specialized police services include, but are not limited to:**

- 45 **(1) Tactical operations unit;**
- 46 **(2) Bomb and arson unit;**
- 47 **(3) Crime lab services;**
- 48 **(4) Emergency management (OEM) coordination;**
- 49 **(5) Metro air support unit; and**
- 50 **(6) Crime scene support.**

51 **In addition, the county shall appropriate one million dollars annually**
52 **from the law enforcement sales tax revenue to a municipal police**
53 **department fund account to be administered by the county board of**
54 **police commissioners. The commission shall reimburse municipal**
55 **police departments for physiological testing and background check**
56 **expenses for police department personnel and reimburse municipal**
57 **police departments up to one thousand dollars per officer per year for**
58 **training and continuing education. Revenue placed in the special trust**
59 **fund may also be utilized for capital improvement projects of county**
60 **law enforcement facilities and for the payment of any interest and**
61 **principal on bonds issued for the capital improvement projects.**

62 **4. Once the tax authorized under this section is repealed or**
63 **terminated by any means, all funds remaining in the special trust fund**
64 **shall be used solely for providing law enforcement services for the**
65 **county. Any funds in such special trust fund that are not needed for**
66 **current expenditures may be invested by the governing body in**
67 **accordance with applicable laws relating to the investment of other**
68 **county funds.**

69 **5. All sales taxes collected by the director of revenue under this**
70 **section on behalf of any county, less one percent for cost of collection**
71 **that shall be deposited in the state's general revenue fund after**
72 **payment of premiums for surety bonds under section 32.087, shall be**
73 **deposited in a special trust fund, which is hereby created, to be known**
74 **as the "County Law Enforcement Sales Tax Trust Fund". The moneys**
75 **in the county law enforcement sales tax trust fund shall not be deemed**
76 **to be state funds and shall not be commingled with any funds of the**
77 **state. The director of revenue shall keep accurate records of the**
78 **moneys in the trust fund and the amount collected in each county**
79 **imposing a sales tax under this section, and the records shall be open**
80 **to the inspection of officers of the county and the public. No later than**

81 the tenth day of each month, the director of revenue shall distribute all
82 moneys deposited in the trust fund during the preceding month to the
83 county that levied the tax. Such funds shall be deposited with the
84 county treasurer of each such county, and all expenditures of funds
85 arising from the county law enforcement sales tax trust fund shall be
86 by an appropriation act to be enacted by the governing body of the
87 county. Expenditures may be made from the fund for any law
88 enforcement functions authorized in the ordinance or order adopted by
89 the governing body that submitted the tax authorized under this
90 section to the voters.

91 6. The director of revenue may authorize the state treasurer to
92 make refunds from the amounts in the trust fund and credited to any
93 county for erroneous payments and overpayments made and may
94 redeem dishonored checks and drafts deposited to the credit of such
95 counties. If any county abolishes the tax, the county shall notify the
96 director of revenue of the action at least ninety days prior to the
97 effective date of the repeal and the director of revenue may order
98 retention in the trust fund, for a period of one year, of two percent of
99 the amount collected after receipt of such notice to cover possible
100 refunds or overpayment of the tax and to redeem dishonored checks
101 and drafts deposited to the credit of such accounts. After one year has
102 elapsed after the effective date of abolition of the tax in such county,
103 the director of revenue shall remit the balance in the account to the
104 county and close the account of that county. The director of revenue
105 shall notify each county of each instance of any amount refunded or
106 any check redeemed from receipts due the county.

94.857. 1. All sales taxes collected by the director of revenue under
2 sections 94.850 to 94.857, less one percent for cost of collection which shall be
3 deposited in the state's general revenue fund after payment of premiums for
4 surety bonds as provided in section 32.087, shall be deposited in a special trust
5 fund, which is hereby created, to be known as the "Special Municipal Sales Tax
6 Trust Fund". The moneys in the special municipal sales tax trust fund shall not
7 be deemed to be state funds and shall not be commingled with any funds of the
8 state. The director of revenue shall keep accurate records of the amount of money
9 in the trust fund which was collected in each municipality imposing the sales tax
10 established in sections 94.850 to 94.857, and the records shall be open to the
11 inspection of officers of the municipality and the public.

12 2. **(1)** The special municipal sales tax trust fund shall be distributed in
13 conjunction with the county sales tax levied under sections 66.600 to 66.630 and
14 may be combined by the director of revenue in a single payment. The director of
15 revenue shall distribute to the municipality levying the tax a portion of the taxes
16 based on the location in which the sales were deemed consummated under
17 subsection 12 of section 32.087 in accordance with the formula described in this
18 subsection **unless a county has adopted the sales tax as provided by**
19 **section 67.759, in which case the director of revenue shall distribute the**
20 **tax to the municipality levying the tax based on the location in which**
21 **the sales were deemed consummated under subsection 12 of section**
22 **32.087.**

23 **(2)** If the county has not adopted the sales tax provided by
24 **section 67.759**, except for distributions relating to recently annexed areas
25 described in subsection 4 of this section, after deducting the distribution to the
26 municipality, the director of revenue shall distribute the remaining funds in the
27 special municipal sales tax fund to the cities, towns and villages and the county
28 in group B as defined in section 66.620 as follows: To the county, ten percent
29 multiplied by the percentage of the population of unincorporated county which
30 has been annexed or incorporated since April 1, 1993, multiplied by the total
31 sales tax revenues, and a percentage of the remaining distributable revenue equal
32 to the percentage ratio that the population of the unincorporated areas of the
33 county bears to the total population of group B; and to each city, town or village
34 in group B located wholly within the taxing county, a percentage of the remaining
35 distributable revenue equal to the percentage ratio that the population of such
36 city, town or village bears to the total population of group B; and to each city,
37 town or village located partly within the taxing county, a percentage of the
38 remaining distributable revenue equal to the percentage ratio that the population
39 of that part of the city, town or village located within the taxing county bears to
40 the total population of group B.

41 **3. If the county has not adopted the sales tax provided by section**
42 **67.759**, for purposes of administering the distribution formula of subsection 2 of
43 this section, the revenues arising each year from sales occurring within the
44 municipality shall be shared as follows: The municipality shall receive that
45 portion of the revenues arising from sales occurring within the municipality that
46 remains after deducting therefrom an amount equal to the cumulative sales tax
47 revenues arising from sales within the municipality multiplied by the sum of ten

48 percent multiplied by the percentage of the population of unincorporated county
49 which has been annexed or incorporated after April 1, 1993, and the greater of
50 12.5 percent or the percentage equal to the product of 11.627 multiplied by the
51 logarithm (to base 10) of the product of 0.15 multiplied by the total of the
52 cumulative per capita sales taxes arising from sales within the municipality
53 pursuant to sections 94.850 to 94.857 less one-eighth, in the case of a one-eighth
54 of one percent sales tax, or one quarter, in the case of a one-fourth of one percent
55 sales tax, of the per capita countywide average of all sales tax distributions
56 during the prior calendar year under section 66.620, which average is reduced by
57 the percentage which is equal to ten percent multiplied by the percentage of the
58 population of unincorporated county which has been annexed or incorporated
59 after April 1, 1993.

60 **4. If the county has adopted the sales tax provided by section**
61 **67.759**, sales taxes arising from sales within recently annexed areas pursuant to
62 sections 94.850 to 94.857 shall be divided half to the municipality and half to the
63 county until the fifth anniversary of the effective date of the annexation, and
64 shall thereafter be distributed as provided in subsections 2 and 3 of this section.
65 A "recently annexed area" is any area which was annexed or incorporated from
66 or in the unincorporated area of the county less than five years prior to the
67 effective date of the sales tax under sections 94.850 to 94.857.

68 5. Not later than the tenth day of each month, the director of revenue
69 shall distribute all moneys deposited in the special municipal sales tax trust fund
70 during the preceding month as provided in this section.

71 6. The director of revenue may authorize the state treasurer to make
72 refunds from the amounts in the trust fund and credited to any municipality for
73 erroneous payments and overpayments made, and may redeem dishonored checks
74 and drafts deposited to the credit of such municipalities. If any city, town or
75 village abolishes the tax, the municipality shall notify the director of revenue of
76 the action at least ninety days prior to the effective date of the repeal and the
77 director of revenue may order retention in the trust fund, for a period of one year,
78 of two percent of the amount collected after receipt of such notice to cover possible
79 refunds or overpayment of the tax and to redeem dishonored checks and drafts
80 deposited to the credit of such accounts. After one year has elapsed after the
81 effective date of abolition of the tax in such municipality, the director of revenue
82 shall remit the balance in the account to the municipality and close the
83 account. The director of revenue shall notify each county of each instance of any

84 amount refunded or any check redeemed from receipts due the municipality.

✓

Unofficial

Bill

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