

SECOND REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 788
98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHATZ.

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ADRIANE D. CROUSE, Secretary.

4741S.12P

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:

Section A. Section 66.620, RSMo, is repealed and two new sections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

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

14 with the [county] treasurer of the county and all expenditures of funds arising
15 from the county sales tax trust fund shall be by an appropriation act to be
16 enacted by the legislative council of the county, and to the cities, towns and
17 villages located wholly or partly within the county which levied the tax in the
18 manner as set forth in sections 66.600 to 66.630.

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 beginning
26 January 1, 1980, group A shall consist of all cities, towns and villages which are
27 located wholly or partly within the county which levied the tax and which had a
28 city sales tax approved by the voters of such city under the provisions of sections
29 94.500 to 94.550 on the day prior to the effective date of the county sales tax. For
30 the purposes of determining the location of consummation of sales for distribution
31 of funds to cities, towns and villages in group A, the boundaries of any such city,
32 town or village shall be the boundary of that city, town or village as it existed on
33 March 19, 1984. Group B shall consist of all cities, towns and villages which are
34 located wholly or partly within the county which levied the tax and which did not
35 have a city sales tax in effect under the provisions of sections 94.500 to 94.550 on
36 the day prior to the adoption of the county sales tax ordinance, and shall also
37 include all unincorporated areas of the county which levied the tax; except that,
38 beginning January 1, 1980, group B shall consist of all cities, towns and villages
39 which are located wholly or partly within the county which levied the tax and
40 which did not have a city sales tax approved by the voters of such city under the
41 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the
42 county sales tax and shall also include all unincorporated areas of the county
43 which levied the tax.

44 3. Until January 1, 1994, the director of revenue shall distribute to the
45 cities, towns and villages in group A the taxes based on the location in which the
46 sales were deemed consummated under section 66.630 and subsection 12 of
47 section 32.087. Except for distribution governed by section 66.630, after
48 deducting the distribution to the cities, towns and villages in group A, the
49 director of revenue shall distribute the remaining funds in the county sales tax

50 trust fund to the cities, towns and villages and the county in group B as follows:
51 To the county which levied the tax, a percentage of the distributable revenue
52 equal to the percentage ratio that the population of the unincorporated areas of
53 the county bears to the total population of group B; and to each city, town or
54 village in group B located wholly within the taxing county, a percentage of the
55 distributable revenue equal to the percentage ratio that the population of such
56 city, town or village bears to the total population of group B; and to each city,
57 town or village located partly within the taxing county, a percentage of the
58 distributable revenue equal to the percentage ratio that the population of that
59 part of the city, town or village located within the taxing county bears to the total
60 population of group B.

61 4. From [and after] January 1, 1994, **until December 31, 2016**, the
62 director of revenue shall distribute to the cities, towns and villages in group A a
63 portion of the taxes based on the location in which the sales were deemed
64 consummated under section 66.630 and subsection 12 of section 32.087 in
65 accordance with the formula described in this subsection **and in subsection 6**
66 **of this section**. After deducting the distribution to the cities, towns and villages
67 in group A, the director of revenue shall distribute funds in the county sales tax
68 trust fund to the cities, towns and villages and the county in group B as follows:
69 To the county which levied the tax, ten percent multiplied by the percentage of
70 the population of unincorporated county which has been annexed or incorporated
71 since April 1, 1993, multiplied by the total of all sales tax revenues countywide,
72 and a percentage of the remaining distributable revenue equal to the percentage
73 ratio that the population of unincorporated areas of the county bears to the total
74 population of group B; and to each city, town or village in group B located wholly
75 within the taxing county, a percentage of the remaining distributable revenue
76 equal to the percentage ratio that the population of such city, town or village
77 bears to the total population of group B; and to each city, town or village located
78 partly within the taxing county, a percentage of the remaining distributable
79 revenue equal to the percentage ratio that the population of that part of the city,
80 town or village located within the taxing county bears to the total population of
81 group B.

82 5. (1) **From and after January 1, 2017, in each year in which the**
83 **total revenues from the county sales tax collected under sections 66.600**
84 **to 66.630 in the previous calendar year is less than or equal to the**
85 **amount of such revenues which were collected in the calendar year**

86 2014, the director of revenue shall distribute to the cities, towns, and
87 villages in group A, and the cities, towns, and villages, and the county
88 in group B, the amounts required to be distributed under the formula
89 described in subsections 4 and 6 of this section. From and after
90 January 1, 2017, in each year in which the total revenues from the
91 county sales tax collected under sections 66.600 to 66.630 in the
92 previous calendar year is greater than the amount of such revenues
93 which were collected in the calendar year 2014, the director of revenue
94 shall distribute to the cities, towns, and villages in group A a portion
95 of the taxes based on the location in which the sales were deemed
96 consummated under section 66.630 and subsection 12 of section 32.087,
97 in accordance with the formula described in this subsection and in
98 subsection 6 of this section. After deducting the distribution to the
99 cities, towns, and villages in group A, the director of revenue shall,
100 subject to the limitation described in subdivision (2) of this subsection,
101 distribute funds in the county sales tax trust fund to the cities, towns,
102 and villages, and the county in group B as follows: to the county which
103 levied the tax, ten percent multiplied by the percentage of the
104 population of unincorporated county which has been annexed or
105 incorporated since April 1, 1993, multiplied by the total of all sales tax
106 revenues countywide, and a percentage of the remaining distributable
107 revenue equal to the percentage ratio that the population of
108 unincorporated areas of the county bears to the total population of
109 group B as adjusted such that no city, town, or village in group B shall
110 receive a distribution that is less than fifty percent of the amount of
111 taxes generated within such city, town, or village based on the location
112 in which the sales were deemed consummated under section 66.630 and
113 subsection 12 of section 32.087; and to each city, town, or village in
114 group B located wholly within the taxing county, a percentage of the
115 remaining distributable revenue equal to the percentage ratio that the
116 population of such city, town, or village bears to the total population
117 of group B, as adjusted such that no city, town, or village in group B
118 shall receive a distribution that is less than fifty percent of the amount
119 of taxes generated within such city, town, or village based on the
120 location in which the sales were deemed consummated under section
121 66.630 and subsection 12 of section 32.087; and to each city, town, or
122 village located partly within the taxing county, a percentage of the

123 remaining distributable revenue equal to the percentage ratio that the
124 population of that part of the city, town, or village located within the
125 taxing county bears to the total population of group B, as adjusted such
126 that no city, town, or village in group B shall receive a distribution that
127 is less than fifty percent of the amount of taxes generated within such
128 city, town, or village based on the location in which the sales were
129 deemed consummated under section 66.630 and subsection 12 of section
130 32.087.

131 (2) For purposes of making any adjustment required by this
132 subsection, the director of revenue shall, prior to any distribution to
133 the county or to each city, town, or village in group B located wholly
134 or partly within the taxing county, identify each city, town, or village
135 in group B located wholly or partly within the taxing county that would
136 receive a distribution that is less than fifty percent of the amount of
137 taxes generated within such city, town, or village based on the location
138 in which the sales were deemed consummated under section 66.630 and
139 subsection 12 of section 32.087 if no adjustments were made and
140 calculate the difference between the amount that the distribution to
141 each such city, town, or village would have been without any
142 adjustment and the amount that equals fifty percent of the amount of
143 taxes generated within such city, town, or village based on the location
144 in which the sales were deemed consummated under section 66.630 and
145 subsection 12 of section 32.087. Thereafter, the director of revenue
146 shall determine the amount of any adjustment under this subsection as
147 follows:

148 (a) If the aggregate amount of the difference calculated in
149 accordance with this subsection is less than or equal to the aggregate
150 increase in the remaining distributable revenue for the applicable
151 period in the current calendar year over the remaining distributable
152 revenue for the corresponding period in the calendar year 2014, the
153 director of revenue shall deduct the amount of such difference from the
154 remaining distributable revenue and distribute an allowable portion of
155 the amount of such difference to each city, town, or village that would
156 otherwise have received a distribution that is less than fifty percent of
157 the amount of taxes generated within such city, town, or village based
158 on the location in which the sales were deemed consummated under
159 section 66.630 and subsection 12 of section 32.087 if no adjustments

160 were made, such that each such city, town, or village receives a
161 distribution that is equal to fifty percent of the amount of taxes
162 generated within such city, town, or village based on the location in
163 which the sales were deemed consummated under section 66.630 and
164 subsection 12 of section 32.087;

165 (b) If, however, the aggregate amount of the difference
166 calculated in accordance with this subsection is greater than the
167 aggregate increase in the remaining distributable revenue for the
168 applicable period in the current calendar year over the remaining
169 distributable revenue for the corresponding period in the calendar year
170 2014, the director of revenue shall deduct from the remaining
171 distributable revenue an amount equal to the difference between the
172 remaining distributable revenue for the applicable period in the
173 current calendar year and the remaining distributable revenue for the
174 corresponding period in the calendar year 2014 and distribute an
175 allocable portion of the amount of such difference to each city, town,
176 or village that would otherwise have received a distribution that is less
177 than fifty percent of the amount of taxes generated with such city,
178 town, or village based on the location in which the sales were deemed
179 consummated under section 66.630 and subsection 12 of section 32.087
180 if no adjustments were made, such that each such city, town, or village
181 receives a distribution that includes an adjustment that is
182 proportionate to the amount of the adjustment that would otherwise
183 have been made if such adjustments were calculated in accordance with
184 paragraph (a) of this subsection;

185 (c) After determining the amount of the adjustment and making
186 the allocation in accordance with paragraphs (a) or (b) of this
187 subdivision, as applicable, the director of revenue shall thereafter
188 distribute the remaining distributable revenue, as adjusted, to the
189 county and to each city, town, or village in group B located wholly or
190 partly within the taxing county in the manner provided in this
191 subsection;

192 (3) For purposes of this subsection, if a city, town, or village is
193 partly in group A and partly in group B, the director of revenue shall
194 calculate fifty percent of the amount of taxes generated within such
195 city, town, or village based on the location in which the sales were
196 deemed consummated under section 66.630 and subsection 12 of section

197 **32.087 by multiplying fifty percent by the amount of all county sales**
198 **taxes collected by the director of revenue under sections 66.600 to**
199 **66.630, less one percent for cost of collection, that are generated within**
200 **such city, town, or village based on the location in which the sales were**
201 **deemed consummated under section 66.630 and subsection 12 of section**
202 **32.087, regardless of whether such taxes are deemed consummated in**
203 **group A or group B.**

204 **6.** (1) For purposes of administering the distribution formula of
205 [subsection] **subsections 4 and 5** of this section, the revenues arising each year
206 from sales occurring within each group A city, town or village shall be distributed
207 as follows: Until such revenues reach the adjusted county average, as hereinafter
208 defined, there shall be distributed to the city, town or village all of such revenues
209 reduced by the percentage which is equal to ten percent multiplied by the
210 percentage of the population of unincorporated county which has been annexed
211 or incorporated after April 1, 1993; and once revenues exceed the adjusted county
212 average, total revenues shall be shared in accordance with the redistribution
213 formula as defined in this subsection.

214 (2) For purposes of this subsection, the "adjusted county average" is the
215 per capita countywide average of all sales tax distributions during the prior
216 calendar year reduced by the percentage which is equal to ten percent multiplied
217 by the percentage of the population of unincorporated county which has been
218 annexed or incorporated after April 1, 1993; the "redistribution formula" is as
219 follows: During 1994, each group A city, town and village shall receive that
220 portion of the revenues arising from sales occurring within the municipality that
221 remains after deducting therefrom an amount equal to the cumulative sales tax
222 revenues arising from sales within the municipality multiplied by the percentage
223 which is the sum of ten percent multiplied by the percentage of the population of
224 unincorporated county which has been annexed or incorporated after April 1,
225 1993, and the percentage, if greater than zero, equal to the product of 8.5
226 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the
227 total of cumulative per capita sales taxes arising from sales within the
228 municipality less the adjusted county average. During 1995, each group A city,
229 town and village shall receive that portion of the revenues arising from sales
230 occurring within the municipality that remains after deducting therefrom an
231 amount equal to the cumulative sales tax revenues arising from sales within the
232 municipality multiplied by the percentage which is the sum of ten percent

233 multiplied by the percentage of the population of unincorporated county which
234 has been annexed or incorporated after April 1, 1993, and the percentage, if
235 greater than zero, equal to the product of seventeen multiplied by the logarithm
236 (to base 10) of the product of 0.035 multiplied by the total of cumulative per
237 capita sales taxes arising from sales within the municipality less the adjusted
238 county average. From January 1, 1996, until January 1, 2000, each group A city,
239 town and village shall receive that portion of the revenues arising from sales
240 occurring within the municipality that remains after deducting therefrom an
241 amount equal to the cumulative sales tax revenues arising from sales within the
242 municipality multiplied by the percentage which is the sum of ten percent
243 multiplied by the percentage of the population of unincorporated county which
244 has been annexed or incorporated after April 1, 1993, and the percentage, if
245 greater than zero, equal to the product of 25.5 multiplied by the logarithm (to
246 base 10) of the product of 0.035 multiplied by the total of cumulative per capita
247 sales taxes arising from sales within the municipality less the adjusted county
248 average. From and after January 1, 2000, the distribution formula covering the
249 period from January 1, 1996, until January 1, 2000, shall continue to apply,
250 except that the percentage computed for sales arising within the municipalities
251 shall be not less than 7.5 percent for municipalities within which sales tax
252 revenues exceed the adjusted county average, nor less than 12.5 percent for
253 municipalities within which sales tax revenues exceed the adjusted county
254 average by at least twenty-five percent.

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

262 (4) Notwithstanding any other provision of this section, the fifty percent
263 of additional sales taxes as described in section 99.845 arising from economic
264 activities within the area of a redevelopment project established after July 12,
265 1990, pursuant to sections 99.800 to 99.865, while tax increment financing
266 remains in effect shall be deducted from all calculations of countywide sales
267 taxes, shall be distributed directly to the municipality involved, and shall be
268 disregarded in calculating the amounts distributed or distributable to the

269 municipality. Further, any agreement, contract or covenant entered into prior to
270 July 12, 1990, between a municipality and any other political subdivision which
271 provides for an appropriation of incremental sales tax revenues to the special
272 allocation fund of a tax increment financing project while tax increment financing
273 remains in effect shall continue to be in full force and effect and the sales taxes
274 so appropriated shall be deducted from all calculations of countywide sales taxes,
275 shall be distributed directly to the municipality involved, and shall be
276 disregarded in calculating the amounts distributed or distributable to the
277 municipality. In addition, and notwithstanding any other provision of this
278 chapter to the contrary, economic development funds shall be distributed in full
279 to the municipality in which the sales producing them were deemed
280 consummated. Additionally, economic development funds shall be deducted from
281 all calculations of countywide sales taxes and shall be disregarded in calculating
282 the amounts distributed or distributable to the municipality. As used in this
283 subdivision, the term "economic development funds" means the amount of sales
284 tax revenue generated in any fiscal year by projects authorized pursuant to
285 chapter 99 or chapter 100 in connection with which such sales tax revenue was
286 pledged as security for, or was guaranteed by a developer to be sufficient to pay,
287 outstanding obligations under any agreement authorized by chapter 100, entered
288 into or adopted prior to September 1, 1993, between a municipality and another
289 public body. The cumulative amount of economic development funds allowed
290 under this provision shall not exceed the total amount necessary to amortize the
291 obligations involved.

292 [6.] 7. If the qualified voters of any city, town or village vote to change
293 or alter its boundaries by annexing any unincorporated territory included in
294 group B or if the qualified voters of one or more city, town or village in group A
295 and the qualified voters of one or more city, town or village in group B vote to
296 consolidate, the area annexed or the area consolidated which had been a part of
297 group B shall remain a part of group B after annexation or consolidation. After
298 the effective date of the annexation or consolidation, the annexing or consolidated
299 city, town or village shall receive a percentage of the group B distributable
300 revenue equal to the percentage ratio that the population of the annexed or
301 consolidated area bears to the total population of group B and such annexed area
302 shall not be classified as unincorporated area for determination of the percentage
303 allocable to the county. If the qualified voters of any two or more cities, towns or
304 villages in group A each vote to consolidate such cities, towns or villages, then

305 such consolidated cities, towns or villages shall remain a part of group A. For the
306 purpose of sections 66.600 to 66.630, population shall be as determined by the
307 last federal decennial census or the latest census that determines the total
308 population of the county and all political subdivisions therein. For the purpose
309 of calculating the adjustment based on the percentage of unincorporated county
310 population which is annexed after April 1, 1993, the accumulated percentage
311 immediately before each census shall be used as the new percentage base after
312 such census. After any annexation, incorporation or other municipal boundary
313 change affecting the unincorporated area of the county, the chief elected official
314 of the county shall certify the new population of the unincorporated area of the
315 county and the percentage of the population which has been annexed or
316 incorporated since April 1, 1993, to the director of revenue. After the adoption
317 of the county sales tax ordinance, any city, town or village in group A may by
318 adoption of an ordinance by its governing body cease to be a part of group A and
319 become a part of group B. Within ten days after the adoption of the ordinance
320 transferring the city, town or village from one group to the other, the clerk of the
321 transferring city, town or village shall forward to the director of revenue, by
322 registered mail, a certified copy of the ordinance. Distribution to such city as a
323 part of its former group shall cease and as a part of its new group shall begin on
324 the first day of January of the year following notification to the director of
325 revenue, provided such notification is received by the director of revenue on or
326 before the first day of July of the year in which the transferring ordinance is
327 adopted. If such notification is received by the director of revenue after the first
328 day of July of the year in which the transferring ordinance is adopted, then
329 distribution to such city as a part of its former group shall cease and as a part of
330 its new group shall begin the first day of July of the year following such
331 notification to the director of revenue. Once a group A city, town or village
332 becomes a part of group B, such city may not transfer back to group A.

333 [7.] 8. If any city, town or village shall hereafter change or alter its
334 boundaries, the city clerk of the municipality shall forward to the director of
335 revenue, by registered mail, a certified copy of the ordinance adding or detaching
336 territory from the municipality. The ordinance shall reflect the effective date
337 thereof, and shall be accompanied by a map of the municipality clearly showing
338 the territory added thereto or detached therefrom. Upon receipt of the ordinance
339 and map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and
340 allocated in accordance with the provisions of this section on the effective date of

341 the change of the municipal boundary so that the proper percentage of group B
342 distributable revenue is allocated to the municipality in proportion to any
343 annexed territory. If any area of the unincorporated county elects to incorporate
344 subsequent to the effective date of the county sales tax as set forth in sections
345 66.600 to 66.630, the newly incorporated municipality shall remain a part of
346 group B. The city clerk of such newly incorporated municipality shall forward to
347 the director of revenue, by registered mail, a certified copy of the incorporation
348 election returns and a map of the municipality clearly showing the boundaries
349 thereof. The certified copy of the incorporation election returns shall reflect the
350 effective date of the incorporation. Upon receipt of the incorporation election
351 returns and map, the tax imposed by sections 66.600 to 66.630 shall be
352 distributed and allocated in accordance with the provisions of this section on the
353 effective date of the incorporation.

354 [8.] 9. The director of revenue may [authorize the state treasurer to]
355 make refunds from the amounts in the trust fund and credited to any county for
356 erroneous payments and overpayments made, and may redeem dishonored checks
357 and drafts deposited to the credit of such counties. If any county abolishes the
358 tax, the county shall notify the director of revenue of the action at least ninety
359 days prior to the effective date of the repeal and the director of revenue may
360 order retention in the trust fund, for a period of one year, of two percent of the
361 amount collected after receipt of such notice to cover possible refunds or
362 overpayment of the tax and to redeem dishonored checks and drafts deposited to
363 the credit of such accounts. After one year has elapsed after the effective date of
364 abolition of the tax in such county, the director of revenue shall remit the balance
365 in the account to the county and close the account of that county. The director
366 of revenue shall notify each county of each instance of any amount refunded or
367 any check redeemed from receipts due the county.

368 [9.] 10. Except as modified in sections 66.600 to 66.630, all provisions of
369 sections 32.085 and 32.087 shall apply to the tax imposed under sections 66.600
370 to 66.630.

**94.860. 1. Notwithstanding the provisions of subsection 1 of
2 section 67.582, the governing body of a charter county with a
3 population of nine hundred fifty thousand or more is authorized to
4 impose by ordinance a sales tax in the amount of up to one-half of one
5 percent on all retail sales made in the part of the county outside of
6 incorporated cities, towns, and villages which are subject to taxation**

7 pursuant to sections 144.010 to 144.525 for the purpose of providing law
8 enforcement services to such county. The tax authorized by this
9 section shall be in addition to any and all other sales taxes allowed by
10 law, except that no ordinance imposing a sales tax pursuant to this
11 section shall be effective unless the governing body of the county
12 submits to the voters residing in the part of the county outside of
13 incorporated cities, towns, and villages, at a county or state general,
14 primary, or special election, a proposal to authorize the governing body
15 of the county to impose a tax.

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

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

24 YES NO

25 If you are in favor of the question, place an "X" in the box opposite
26 "YES". If you are opposed to the question, place an "X" in the box
27 opposite "NO".

28 If a majority of the votes cast on the proposal by the qualified voters
29 voting thereon are in favor of the proposal submitted pursuant to this
30 subsection, then the ordinance and any amendments thereto shall be in
31 effect on the first day of the second quarter immediately following the
32 election approving the proposal. If a proposal receives less than the
33 required majority, then the governing body of the county shall have no
34 power to impose the sales tax herein authorized unless and until the
35 governing body of the county shall again have submitted another
36 proposal to authorize the governing body of the county to impose the
37 sales tax authorized by this section and such proposal is approved by
38 the required majority of the qualified voters voting thereon. However,
39 in no event shall a proposal pursuant to this section be submitted
40 sooner than thirty-six months from the date of the last proposal
41 pursuant to this section. If a majority of the voters fail to approve such
42 proposal the second time offered, then the governing body of the county

43 shall have no power to impose the sales tax authorized by this section
44 or submit such proposal to the qualified voters a third time.

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

56 4. The sales taxes collected by the director of revenue pursuant
57 to this section on behalf of a charter county with a population of nine
58 hundred fifty thousand or more shall be deposited in the "County Law
59 Enforcement Sales Tax Trust Fund" created by subsection 5 of section
60 67.582, less one percent for cost of collection which shall be deposited
61 in the state's general revenue fund after payment of premiums for
62 surety bonds as provided in section 32.087. The moneys in the trust
63 fund shall not be deemed to be state funds and shall not be commingled
64 with any funds of the state. The director of revenue shall keep
65 accurate records of the amount of money in the trusts and which were
66 collected in each county imposing a sales tax under this section, and
67 the records shall be open to the inspection of the officers of the county
68 and the public. Not later than the tenth day of each month the director
69 of revenue shall distribute all moneys deposited in the trust fund
70 during each month to the county which levied the tax; such funds shall
71 be deposited with the county treasurer of each such county, and all
72 expenditures of funds arising from the tax authorized by this section
73 shall be by an appropriation act to be enacted by the governing body
74 of each such county. Expenditures may be made from the funds for any
75 functions authorized in the ordinance adopted by the governing body
76 submitting the tax to the voters.

77 5. The director of revenue may authorize the state treasurer to
78 make refunds from the amounts in the trust fund and credited to any
79 county for erroneous payments and overpayments made, and may

80 redeem dishonored checks and drafts deposited to the credit of such
81 counties. If any county abolishes the tax, the county shall notify the
82 director of revenue of the action at least ninety days before the
83 effective date of the repeal and the director of revenue may order
84 retention in the appropriate trust fund, for a period of one year, or two
85 percent of the amount collected after receipt of such notice to cover
86 possible refunds and overpayments of the tax and to redeem
87 dishonored checks and drafts deposited to the credit of such
88 accounts. After one year has elapsed after the abolition of the tax in
89 such county, the director of revenue shall remit the balance in the
90 account to the county and close the accounts of that county established
91 pursuant to this section. The director of revenue shall notify each
92 county of each instance of any amount refunded or any check redeemed
93 from the receipts due to the county.

94 6. Except as modified in this section, all provisions of sections
95 32.085 and 32.087 shall apply to the tax imposed pursuant to this
96 section.

Bill ✓

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