

SECOND REGULAR SESSION

HOUSE BILL NO. 2676

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ADAMS.

6745H.011

D. ADAM CRUMBLISS, Chief Clerk

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Section A. Sections 66.620 and 94.857, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 66.620, 67.759, and 94.857, to read as follows:

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

2. In any county not adopting an additional sales tax and alternate distribution system as provided in section 67.581, for the purposes of distributing the county sales tax, the county

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

47 3. Until January 1, 1994, the director of revenue shall distribute to the cities, towns and
48 villages in group A the taxes based on the location in which the sales were deemed consummated
49 under section 66.630 and subsection 12 of section 32.087. Except for distribution governed by
50 section 66.630, after deducting the distribution to the cities, towns and villages in group A, the
51 director of revenue shall distribute the remaining funds in the county sales tax trust fund to the
52 cities, towns and villages and the county in group B as follows: To the county which levied the
53 tax, a percentage of the distributable revenue equal to the percentage ratio that the population of

54 the unincorporated areas of the county bears to the total population of group B; and to each city,
55 town or village in group B located wholly within the taxing county, a percentage of the
56 distributable revenue equal to the percentage ratio that the population of such city, town or
57 village bears to the total population of group B; and to each city, town or village located partly
58 within the taxing county, a percentage of the distributable revenue equal to the percentage ratio
59 that the population of that part of the city, town or village located within the taxing county bears
60 to the total population of group B.

61 4. [From] **(1) On and after January 1, 1994, if a county has not adopted the sales tax**
62 **provided by section 67.759**, the director of revenue shall distribute to the cities, towns and
63 villages in group A a 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 accordance with the
65 formula described in this subsection. After deducting the distribution to the cities, towns and
66 villages in group A, the director of revenue shall distribute funds in the county sales tax trust
67 fund to the cities, towns and villages and the county in group B as follows: To the county which
68 levied the tax, ten percent multiplied by the percentage of the population of unincorporated
69 county which has been annexed or incorporated since April 1, 1993, multiplied by the total of
70 all sales tax revenues countywide, and a percentage of the remaining distributable revenue equal
71 to the percentage ratio that the population of unincorporated areas of the county bears to the total
72 population of group B; and to each city, town or village in group B located wholly within the
73 taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio
74 that the population of such city, town or village bears to the total population of group B; and to
75 each city, town or village located partly within the taxing county, a percentage of the remaining
76 distributable revenue equal to the percentage ratio that the population of that part of the city,
77 town or village located within the taxing county bears to the total population of group B.

78 **(2) If a county has adopted the sales tax provided by section 67.759, the director of**
79 **revenue shall distribute to the group A participants a portion of the taxes based on the**
80 **location where the sales were deemed consummated under section 66.630 and subsection**
81 **12 of section 32.087 in accordance with the formula under this subsection. After deducting**
82 **the distribution to the group A participants, the director of revenue shall distribute funds**
83 **in the county sales tax trust fund to the cities, towns, and villages in group B as follows:**

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

88 **(b) To each city, town, or village located partly within the taxing county, a**
89 **percentage of the remaining distributable revenue equal to the percentage ratio that the**

90 **population of that part of the city, town, or village located within the taxing county bears**
91 **to the total population of group B.**

92 5. (1) For purposes of administering the distribution formula of subsection 4 of this
93 section[,] :

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

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

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

103 **(b) Upon adoption of the sales tax provided by section 67.759, the revenues arising**
104 **each year from sales occurring within each group A participant shall be distributed as**
105 **follows:**

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

109 **b. Once revenues exceed the adjusted county average, total revenues shall be shared**
110 **in accordance with the redistribution formula under this subsection.**

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

112 **(a) If a county has not adopted the sales tax provided by section 67.759, the**
113 **"adjusted county average" is the per capita countywide average of all sales tax distributions**
114 **during the prior calendar year reduced by the percentage which is equal to ten percent multiplied**
115 **by the percentage of the population of unincorporated county which has been annexed or**
116 **incorporated after April 1, 1993; the "redistribution formula" is as follows: During 1994, each**
117 **group A city, town and village shall receive that portion of the revenues arising from sales**
118 **occurring within the municipality that remains after deducting therefrom an amount equal to the**
119 **cumulative sales tax revenues arising from sales within the municipality multiplied by the**
120 **percentage which is the sum of ten percent multiplied by the percentage of the population of**
121 **unincorporated county which has been annexed or incorporated after April 1, 1993, and the**
122 **percentage, if greater than zero, equal to the product of 8.5 multiplied by the logarithm (to base**
123 **10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising**
124 **from sales within the municipality less the adjusted county average. During 1995, each group**
125 **A city, town and village shall receive that portion of the revenues arising from sales occurring**

126 within the municipality that remains after deducting therefrom an amount equal to the cumulative
127 sales tax revenues arising from sales within the municipality multiplied by the percentage which
128 is the sum of ten percent multiplied by the percentage of the population of unincorporated county
129 which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than
130 zero, equal to the product of seventeen multiplied by the logarithm (to base 10) of the product
131 of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the
132 municipality less the adjusted county average. From January 1, 1996, until January 1, 2000, each
133 group A city, town and village shall receive that portion of the revenues arising from sales
134 occurring within the municipality that remains after deducting therefrom an amount equal to the
135 cumulative sales tax revenues arising from sales within the municipality multiplied by the
136 percentage which is the sum of ten percent multiplied by the percentage of the population of
137 unincorporated county which has been annexed or incorporated after April 1, 1993, and the
138 percentage, if greater than zero, equal to the product of 25.5 multiplied by the logarithm (to base
139 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising
140 from sales within the municipality less the adjusted county average. From and after January 1,
141 2000, the distribution formula covering the period from January 1, 1996, until January 1, 2000,
142 shall continue to apply, except that the percentage computed for sales arising within the
143 municipalities shall be not less than 7.5 percent for municipalities within which sales tax
144 revenues exceed the adjusted county average, nor less than 12.5 percent for municipalities within
145 which sales tax revenues exceed the adjusted county average by at least twenty-five percent.

146 **(b) If the county has adopted the sales tax provided by section 67.759, the "adjusted**
147 **county average" is the per capita countywide average of all sales tax distributions during**
148 **the prior calendar year. Each group A participant shall receive that portion of the**
149 **revenues arising from sales occurring within the municipality or, in the case of the county,**
150 **the unincorporated area of the county that remains after deducting therefrom the**
151 **percentage, if greater than zero, equal to the product of twenty-five and one-half multiplied**
152 **by the base ten logarithm of the product of thirty-five-thousandths multiplied by the total**
153 **of cumulative per capita sales taxes arising from sales within the municipality or, in the**
154 **case of the county, the unincorporated area of the county less the adjusted county average.**
155 **The percentage for sales arising within the municipalities or, in the case of the county, the**
156 **unincorporated area of the county shall be not less than seven and one-half percent for**
157 **municipalities or areas within which sales tax revenues exceed the adjusted county average,**
158 **nor less than twelve and one-half percent for municipalities or areas within which sales tax**
159 **revenues exceed the adjusted county average by at least twenty-five percent.**
160 **Notwithstanding the provisions of this section, the county's portion shall be reduced by the**
161 **difference between what its total share would have been as a group B participant under**

162 **the formula in effect prior to the effective date of an ordinance or order imposing a sales**
163 **tax under section 67.759 and its total share under this paragraph as of the effective date**
164 **of an ordinance or order imposing a sales tax under section 67.759, and the amount of such**
165 **reduction shall be distributed among all cities, towns, and villages in the county on a per**
166 **capita basis.**

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

173 (4) Notwithstanding any other provision of this section, the fifty percent of additional
174 sales taxes as described in section 99.845 arising from economic activities within the area of a
175 redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865,
176 while tax increment financing remains in effect shall be deducted from all calculations of
177 countywide sales taxes, shall be distributed directly to the municipality involved **or the**
178 **unincorporated area of the county**, and shall be disregarded in calculating the amounts
179 distributed or distributable to the municipality **or unincorporated area of the county**. Further,
180 any agreement, contract or covenant entered into prior to July 12, 1990, between a municipality
181 and any other political subdivision which provides for an appropriation of incremental sales tax
182 revenues to the special allocation fund of a tax increment financing project while tax increment
183 financing remains in effect shall continue to be in full force and effect and the sales taxes so
184 appropriated shall be deducted from all calculations of countywide sales taxes, shall be
185 distributed directly to the municipality **or unincorporated area of the county** involved, and
186 shall be disregarded in calculating the amounts distributed or distributable to the municipality
187 **or unincorporated area of the county**. In addition, and notwithstanding any other provision
188 of this chapter to the contrary, economic development funds shall be distributed in full to the
189 municipality **or unincorporated area of the county** in which the sales producing them were
190 deemed consummated. Additionally, economic development funds shall be deducted from all
191 calculations of countywide sales taxes and shall be disregarded in calculating the amounts
192 distributed or distributable to the municipality **or unincorporated area of the county**. As used
193 in this subdivision, the term "economic development funds" means the amount of sales tax
194 revenue generated in any fiscal year by projects authorized pursuant to chapter 99 or chapter 100
195 in connection with which such sales tax revenue was pledged as security for, or was guaranteed
196 by a developer to be sufficient to pay, outstanding obligations under any agreement authorized
197 by chapter 100, entered into or adopted prior to September 1, 1993, between a municipality **or**

198 **unincorporated area of the county** and another public body. The cumulative amount of
199 economic development funds allowed under this provision shall not exceed the total amount
200 necessary to amortize the obligations involved.

201 **6. (1) If the county has not adopted the sales tax as provided by section 67.759, if**
202 **the qualified voters of any city, town or village vote to change or alter its boundaries by annexing**
203 **any unincorporated territory included in group B or if the qualified voters of one or more city,**
204 **town or village in group A and the qualified voters of one or more city, town or village in group**
205 **B vote to consolidate, the area annexed or the area consolidated which had been a part of group**
206 **B shall remain a part of group B after annexation or consolidation. After the effective date of**
207 **the annexation or consolidation, the annexing or consolidated city, town or village shall receive**
208 **a percentage of the group B distributable revenue equal to the percentage ratio that the**
209 **population of the annexed or consolidated area bears to the total population of group B and such**
210 **annexed area shall not be classified as unincorporated area for determination of the percentage**
211 **allocable to the county. If the qualified voters of any two or more cities, towns or villages in**
212 **group A each vote to consolidate such cities, towns or villages, then such consolidated cities,**
213 **towns or villages shall remain a part of group A. For the purpose of sections 66.600 to 66.630,**
214 **population shall be as determined by the last federal decennial census or the latest census that**
215 **determines the total population of the county and all political subdivisions therein. For the**
216 **purpose of calculating the adjustment based on the percentage of unincorporated county**
217 **population which is annexed after April 1, 1993, the accumulated percentage immediately before**
218 **each census shall be used as the new percentage base after such census. After any annexation,**
219 **incorporation or other municipal boundary change affecting the unincorporated area of the**
220 **county, the chief elected official of the county shall certify the new population of the**
221 **unincorporated area of the county and the percentage of the population which has been annexed**
222 **or incorporated since April 1, 1993, to the director of revenue. After the adoption of the county**
223 **sales tax ordinance, any city, town or village in group A may by adoption of an ordinance by its**
224 **governing body cease to be a part of group A and become a part of group B.**

225 **(2) If the county has adopted the sales tax provided by section 67.759, and if the**
226 **qualified voters of one or more city, town, or village in group B vote to consolidate, the area**
227 **annexed or the area consolidated that was a part of group B shall remain a part of group**
228 **B after annexation or consolidation. After the effective date of the consolidation, the**
229 **consolidated city, town, or village shall receive a percentage of the group B distributable**
230 **revenue equal to the percentage ratio that the population of the consolidated area bears to**
231 **the total population of group B. If the qualified voters of any two or more cities, towns, or**
232 **villages in group A each vote to consolidate such cities, towns, or villages, then such**
233 **consolidated cities, towns, or villages shall remain a part of group A. For the purpose of**

234 **sections 66.600 to 66.630, population shall be as determined by the last federal decennial**
235 **census or the latest census that determines the total population of the county and all**
236 **political subdivisions therein. After the adoption of the county sales tax ordinance, only**
237 **cities, towns, and villages in group A may, by adoption of an ordinance by its governing**
238 **body, cease to be a part of group A and become a part of group B. The unincorporated**
239 **area of the county shall remain in group A.**

240 (3) Within ten days after the adoption of the ordinance transferring the city, town or
241 village from one group to the other, the clerk of the transferring city, town or village shall
242 forward to the director of revenue, by registered mail, a certified copy of the ordinance.
243 Distribution to such city as a part of its former group shall cease and as a part of its new group
244 shall begin on the first day of January of the year following notification to the director of
245 revenue, provided such notification is received by the director of revenue on or before the first
246 day of July of the year in which the transferring ordinance is adopted. If such notification is
247 received by the director of revenue after the first day of July of the year in which the transferring
248 ordinance is adopted, then distribution to such city as a part of its former group shall cease and
249 as a part of its new group shall begin the first day of July of the year following such notification
250 to the director of revenue. Once a group A city, town or village becomes a part of group B, such
251 city may not transfer back to group A.

252 7. If any city, town or village shall hereafter change or alter its boundaries, the city clerk
253 of the municipality shall forward to the director of revenue, by registered mail, a certified copy
254 of the ordinance adding or detaching territory from the municipality. The ordinance shall reflect
255 the effective date thereof, and shall be accompanied by a map of the municipality clearly
256 showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and
257 map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and allocated in
258 accordance with the provisions of this section on the effective date of the incorporation. Upon
259 receipt of the incorporation election returns and map, the tax imposed by sections 66.600 to
260 66.630 shall be distributed and allocated in accordance with the provisions of this section on the
261 effective date of the incorporation.

262 8. The director of revenue may authorize the state treasurer to make refunds from the
263 amounts in the trust fund and credited to any county for erroneous payments and overpayments
264 made, and may redeem dishonored checks and drafts deposited to the credit of such counties.
265 If any county abolishes the tax, the county shall notify the director of revenue of the action at
266 least ninety days prior to the effective date of the repeal and the director of revenue may order
267 retention in the trust fund, for a period of one year, of two percent of the amount collected after
268 receipt of such notice to cover possible refunds or overpayment of the tax and to redeem
269 dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed

270 after the effective date of abolition of the tax in such county, the director of revenue shall remit
271 the balance in the account to the county and close the account of that county. The director of
272 revenue shall notify each county of each instance of any amount refunded or any check redeemed
273 from receipts due the county.

274 9. Except as modified in sections 66.600 to 66.630, all provisions of sections 32.085 and
275 32.087 shall apply to the tax imposed under sections 66.600 to 66.630. 94.857. 1. All sales
276 taxes collected by the director of revenue under sections 94.850 to 94.857, less one percent for
277 cost of collection which shall be deposited in the state's general revenue fund after payment of
278 premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust
279 fund, which is hereby created, to be known as the "Special Municipal Sales Tax Trust Fund".
280 The moneys in the special municipal sales tax trust fund shall not be deemed to be state funds
281 and shall not be commingled with any funds of the state. The director of revenue shall keep
282 accurate records of the amount of money in the trust fund which was collected in each
283 municipality imposing the sales tax established in sections 94.850 to 94.857, and the records
284 shall be open to the inspection of officers of the municipality and the public.

**67.759. 1. The governing body of any county with a charter form of government
2 and with more than nine hundred fifty thousand inhabitants is hereby authorized to
3 impose, by ordinance or order, a sales tax in the amount of up to one-quarter of one
4 percent on all retail sales made in such county that are subject to taxation under sections
5 144.010 to 144.525 for the purpose of providing law enforcement services for the county.
6 The tax authorized under this section shall be in addition to any and all other sales taxes
7 allowed by law, except that no ordinance or order imposing a sales tax under this section
8 shall be effective unless the governing body of the county submits to the voters of the
9 county, at a county or state general, primary, or special election, a proposal to authorize
10 the governing body of the county to impose a tax.**

**11 2. The ballot of submission shall contain, but need not be limited to, the following
12 language:**

**13 Shall the county of (county's name) impose a countywide sales tax of
14 (insert percentage) for the purpose of providing law enforcement services for the
15 county?**

16 YES NO

**17 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
18 opposed to the question, place an "X" in the box opposite "NO".**

19

**20 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
21 favor of the proposal submitted pursuant to this subsection, then the ordinance or order**

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

30 3. All revenue received by a county from the tax authorized under this section shall
31 be deposited in a special trust fund and shall be used solely for providing law enforcement
32 services for such county for so long as the tax shall remain in effect. The governing body
33 of the county shall use the proceeds of the tax prescribed under this section solely for
34 providing law enforcement services in the county including, but not limited to, at the
35 request of municipal police departments and at no cost to municipalities, "specialized
36 police services" and support. Specialized police services include, but are not limited to:

- 37 (1) Tactical operations unit;
- 38 (2) Bomb and arson unit;
- 39 (3) Crime lab services;
- 40 (4) Emergency management (OEM) coordination;
- 41 (5) Metro air support unit; and
- 42 (6) Crime scene support.

43

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

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

58 **5. All sales taxes collected by the director of revenue under this section on behalf**
59 **of any county, less one percent for cost of collection that shall be deposited in the state's**
60 **general revenue fund after payment of premiums for surety bonds under section 32.087,**
61 **shall be deposited in a special trust fund, which is hereby created, to be known as the**
62 **"County Law Enforcement Sales Tax Trust Fund". The moneys in the county law**
63 **enforcement sales tax trust fund shall not be deemed to be state funds and shall not be**
64 **commingled with any funds of the state. The director of revenue shall keep accurate**
65 **records of the moneys in the trust fund and the amount collected in each county imposing**
66 **a sales tax under this section, and the records shall be open to the inspection of officers of**
67 **the county and the public. No later than the tenth day of each month, the director of**
68 **revenue shall distribute all moneys deposited in the trust fund during the preceding month**
69 **to the county that levied the tax. Such funds shall be deposited with the county treasurer**
70 **of each such county, and all expenditures of funds arising from the county law enforcement**
71 **sales tax trust fund shall be by an appropriation act to be enacted by the governing body**
72 **of the county. Expenditures may be made from the fund for any law enforcement**
73 **functions authorized in the ordinance or order adopted by the governing body that**
74 **submitted the tax authorized under this section to the voters.**

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

94.857. 1. All sales taxes collected by the director of revenue under sections 94.850 to
2 94.857, less one percent for cost of collection which shall be deposited in the state's general
3 revenue fund after payment of premiums for surety bonds as provided in section 32.087, shall
4 be deposited in a special trust fund, which is hereby created, to be known as the "Special
5 Municipal Sales Tax Trust Fund". The moneys in the special municipal sales tax trust fund shall
6 not be deemed to be state funds and shall not be commingled with any funds of the state. The

7 director of revenue shall keep accurate records of the amount of money in the trust fund which
8 was collected in each municipality imposing the sales tax established in sections 94.850 to
9 94.857, and the records shall be open to the inspection of officers of the municipality and the
10 public.

11 2. **(1)** The special municipal sales tax trust fund shall be distributed in conjunction with
12 the county sales tax levied under sections 66.600 to 66.630 and may be combined by the director
13 of revenue in a single payment. The director of revenue shall distribute to the municipality
14 levying the tax a portion of the taxes based on the location in which the sales were deemed
15 consummated under subsection 12 of section 32.087 in accordance with the formula described
16 in this subsection **unless a county has adopted the sales tax as provided by section 67.759,**
17 **in which case the director of revenue shall distribute the tax to the municipality levying the**
18 **tax based on the location in which the sales were deemed consummated under subsection**
19 **12 of section 32.087.**

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

35 3. **If the county has not adopted the sales tax provided by section 67.759,** for
36 purposes of administering the distribution formula of subsection 2 of this section, the revenues
37 arising each year from sales occurring within the municipality shall be shared as follows: The
38 municipality shall receive that portion of the revenues arising from sales occurring within the
39 municipality that remains after deducting therefrom an amount equal to the cumulative sales tax
40 revenues arising from sales within the municipality multiplied by the sum of ten percent
41 multiplied by the percentage of the population of unincorporated county which has been annexed
42 or incorporated after April 1, 1993, and the greater of 12.5 percent or the percentage equal to the

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

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

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

61 6. The director of revenue may authorize the state treasurer to make refunds from the
62 amounts in the trust fund and credited to any municipality for erroneous payments and
63 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
64 such municipalities. If any city, town or village abolishes the tax, the municipality shall notify
65 the director of revenue of the action at least ninety days prior to the effective date of the repeal
66 and the director of revenue may order retention in the trust fund, for a period of one year, of two
67 percent of the amount collected after receipt of such notice to cover possible refunds or
68 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of
69 such accounts. After one year has elapsed after the effective date of abolition of the tax in such
70 municipality, the director of revenue shall remit the balance in the account to the municipality
71 and close the account. The director of revenue shall notify each county of each instance of any
72 amount refunded or any check redeemed from receipts due the municipality.

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