

HB 56 House Bill 56 relates to the distribution of local option sales tax proceeds among counties and cities. The bill changes the process whereby counties and cities must renegotiate a new distribution formula after a census. Currently, if the county and qualified cities therein cannot agree on a new distribution formula, the tax is repealed. The bill removes that automatic repeal and allows sales taxes to continue to be distributed under the old formula while cities and counties litigate over a new formula. I believe that the most powerful incentive for local governments to agree is the potential loss of funds for lack of agreement. Because this bill removes the current powerful incentive, I VETO HB 56.