

**HOUSE BILL No. 2266**

By Committee on Taxation

2-10

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1 AN ACT concerning sales taxation; relating to community improvement  
2 districts; notice of rate of tax; amending K.S.A. 2010 Supp. 12-6a31  
3 and repealing the existing section.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2010 Supp. 12-6a31 is hereby amended to read as  
7 follows: 12-6a31. (a) In addition to and notwithstanding any limitations  
8 on the aggregate amount of the retailers' sales tax contained in K.S.A. 12-  
9 187 through 12-197, and amendments thereto, any municipality may  
10 impose a community improvement district sales tax on the selling of  
11 tangible personal property at retail or rendering or furnishing services  
12 taxable pursuant to the provisions of the Kansas retailers' sales tax act,  
13 and amendments thereto, within a community improvement district for  
14 purposes of financing a project in such district in any increment of .10%  
15 or .25% not to exceed 2% and pledging the revenue received therefrom to  
16 pay the bonds issued for the project or to reimburse the cost of the project  
17 pursuant to pay-as-you-go financing. In the event bonds are issued to  
18 finance a project or refunding bonds issued therefore, the community  
19 improvement district sales tax imposed pursuant to this section shall  
20 expire no later than the date such bonds shall mature. In the event pay-as-  
21 you-go financing is utilized, the community improvement district sales  
22 tax shall expire 22 years from the date the state director of taxation begins  
23 collecting such tax or when the project bonds or pay-as-you-go costs have  
24 been paid. Except as otherwise provided by the provisions of K.S.A. 2010  
25 Supp. 12-6a27 et seq., and amendments thereto, the tax authorized by this  
26 section shall be administered, collected and subject to the provisions of  
27 K.S.A. 12-187 through 12-197, inclusive, and amendments thereto.

28 (b) Upon receipt of a certified copy of the resolution or ordinance  
29 authorizing the levy of the community improvement district sales tax  
30 pursuant to this section, the state director of taxation shall cause such tax  
31 to be collected in the district at the same time and in the same manner  
32 provided for the collection of the state retailers' sales tax. All of the taxes  
33 collected under the provisions of this act shall be remitted by the  
34 secretary of revenue to the state treasurer in accordance with the  
35 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
36 each such remittance, the state treasurer shall deposit the entire amount in

1 the state treasury, and the state treasurer shall credit 2% of all taxes so  
2 collected to the community improvement district sales tax administration  
3 fund, which fund is hereby established in the state treasury, to defray the  
4 expenses of the department of revenue in administration and enforcement  
5 of the collection thereof. The aggregate amount of moneys credited to the  
6 community improvement district sales tax administration fund shall not  
7 exceed \$60,000 in any state fiscal year. The remainder of such taxes shall  
8 be credited to the community improvement district sales tax fund, which  
9 fund is hereby established in the state treasury. All moneys in the  
10 community improvement district sales tax fund shall be remitted at least  
11 quarterly by the state treasurer, on instruction from the secretary of  
12 revenue, to the treasurers of those municipalities which are qualified to  
13 receive disbursements from such fund for the amount collected within  
14 such municipality. Any refund due on any community improvement  
15 district sales tax collected pursuant to this section shall be paid out of the  
16 community improvement district sales tax refund fund which is hereby  
17 established in the state treasury and reimbursed by the director of taxation  
18 from collections of the community improvement district sales tax  
19 authorized by this section. Community improvement district sales tax  
20 received by a municipality pursuant to this section shall be deposited in  
21 the community improvement district sales tax fund created pursuant to  
22 K.S.A. 2010 Supp. 12-6a34, and amendments thereto.

23 (c) Notwithstanding any other provisions of law to the contrary,  
24 copies of all retailers' sales and use tax returns filed with the secretary of  
25 revenue in connection with a district for which sales or use tax revenues,  
26 or both, are pledged or otherwise intended to be used in whole or in part  
27 for the payment of bonds issued to finance costs of a project, shall be  
28 provided by the secretary of revenue to the bond trustee, escrow agent or  
29 paying agent for such bonds upon a written request of the municipality  
30 within 15 days of receipt by the secretary of revenue. The bond trustee,  
31 escrow agent or paying agent shall keep such retailers' sales and use tax  
32 returns and the information contained therein confidential, but may use  
33 such information for purposes of allocating and depositing such sales and  
34 use tax revenues in connection with the bonds used to finance costs of a  
35 project. Except as otherwise provided herein, the sales and use tax returns  
36 received by the bond trustee, escrow agent or paying agent shall be  
37 subject to the provisions of K.S.A. 79-3614, and amendments thereto.

38 (d) *Any retailer collecting the tax described in subsection (a) shall*  
39 *cause to be printed on any receipt issued to a purchaser or user: (1) The*  
40 *rate of the community improvement district sales tax; and (2) how much*  
41 *tax was generated by the community improvement district sales tax rate.*

42 Sec. 2. K.S.A. 2010 Supp. 12-6a31 is hereby repealed.

43 Sec. 3. This act shall take effect and be in force from and after its

1 publication in the statute book.  
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