

HOUSE BILL No. 2427

By Committee on Taxation

3-6

AN ACT concerning sales taxation; relating to countywide and city retailers' sales tax; prohibiting use for schools and school districts; amending K.S.A. 2002 Supp. 12-187 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2002 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) (1) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city. *No city shall impose a retailers' sales tax under the provisions of this act and pledge or use the revenue received therefrom to or for a school or school district for general use, education budget, capital improvement spending or any other educational funding purpose.*

(2) The governing body of any class B city located in any county which does not impose a countywide retailers' sales tax pursuant to paragraph (5) of subsection (b) may submit the question of imposing a retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city, county or district hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home health care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

1 (b) (1) The board of county commissioners of any county may submit
2 the question of imposing a countywide retailers' sales tax to the electors
3 at an election called and held thereon, and any such board shall be re-
4 quired to submit the question upon submission of a petition signed by
5 electors of such county equal in number to not less than 10% of the
6 electors of such county who voted at the last preceding general election
7 for the office of secretary of state, or upon receiving resolutions request-
8 ing such an election passed by not less than $\frac{2}{3}$ of the membership of the
9 governing body of each of one or more cities within such county which
10 contains a population of not less than 25% of the entire population of the
11 county, or upon receiving resolutions requesting such an election passed
12 by $\frac{2}{3}$ of the membership of the governing body of each of one or more
13 taxing subdivisions within such county which levy not less than 25% of
14 the property taxes levied by all taxing subdivisions within the county. *No*
15 *county shall impose a retailers' sales tax under the provisions of this act*
16 *and pledge or use the revenue therefrom to or for a school district for*
17 *general use, education budget, capital improvement spending or any other*
18 *educational funding purpose.*

19 (2) The board of county commissioners of Anderson, Atchison, Bar-
20 ton, Butler, Cowley, Cherokee, Crawford, Ford, Jefferson, Lyon, Mont-
21 gomery, Neosho, Osage, Ottawa, Riley, Saline, Seward, Wabaunsee, Wil-
22 son and Wyandotte counties may submit the question of imposing a
23 countywide retailers' sales tax and pledging the revenue received there-
24 from for the purpose of financing the construction or remodeling of a
25 courthouse, jail, law enforcement center facility or other county admin-
26 istrative facility, to the electors at an election called and held thereon.
27 The tax imposed pursuant to this paragraph shall expire when sales tax
28 sufficient to pay all of the costs incurred in the financing of such facility
29 has been collected by retailers as determined by the secretary of revenue.
30 Nothing in this paragraph shall be construed to allow the rate of tax
31 imposed by Butler, Cowley, Lyon, Montgomery, Neosho, Riley or Wilson
32 county pursuant to this paragraph to exceed or be imposed at any rate
33 other than the rates prescribed in K.S.A. 12-189, and amendments
34 thereto.

35 (3) (A) Except as otherwise provided in this paragraph, the result of
36 the election held on November 8, 1988, on the question submitted by
37 the board of county commissioners of Jackson county for the purpose of
38 increasing its countywide retailers' sales tax by 1% is hereby declared
39 valid, and the revenue received therefrom by the county shall be ex-
40 pended solely for the purpose of financing the Banner Creek reservoir
41 project. The tax imposed pursuant to this paragraph shall take effect on
42 the effective date of this act and shall expire not later than five years after
43 such date.

1 (B) The result of the election held on November 8, 1994, on the
2 question submitted by the board of county commissioners of Ottawa
3 county for the purpose of increasing its countywide retailers' sales tax by
4 1% is hereby declared valid, and the revenue received therefrom by the
5 county shall be expended solely for the purpose of financing the erection,
6 construction and furnishing of a law enforcement center and jail facility.

7 (4) The board of county commissioners of Finney and Ford counties
8 may submit the question of imposing a countywide retailers' sales tax at
9 the rate of .25% and pledging the revenue received therefrom for the
10 purpose of financing all or any portion of the cost to be paid by Finney
11 or Ford county for construction of highway projects identified as system
12 enhancements under the provisions of paragraph (5) of subsection (b) of
13 K.S.A. 68-2314, and amendments thereto, to the electors at an election
14 called and held thereon. Such election shall be called and held in the
15 manner provided by the general bond law. The tax imposed pursuant to
16 this paragraph shall expire upon the payment of all costs authorized pur-
17 suant to this paragraph in the financing of such highway projects. Nothing
18 in this paragraph shall be construed to allow the rate of tax imposed by
19 Finney or Ford county pursuant to this paragraph to exceed the maximum
20 rate prescribed in K.S.A. 12-189, and amendments thereto. If any funds
21 remain upon the payment of all costs authorized pursuant to this para-
22 graph in the financing of such highway projects in Finney county, the
23 state treasurer shall remit such funds to the treasurer of Finney county
24 and upon receipt of such moneys shall be deposited to the credit of the
25 county road and bridge fund. If any funds remain upon the payment of
26 all costs authorized pursuant to this paragraph in the financing of such
27 highway projects in Ford county, the state treasurer shall remit such funds
28 to the treasurer of Ford county and upon receipt of such moneys shall
29 be deposited to the credit of the county road and bridge fund.

30 (5) The board of county commissioners of any county may submit the
31 question of imposing a retailers' sales tax at the rate of .25%, .5%, .75%
32 or 1% and pledging the revenue received therefrom for the purpose of
33 financing the provision of health care services, as enumerated in the ques-
34 tion, to the electors at an election called and held thereon. Whenever any
35 county imposes a tax pursuant to this paragraph, any tax imposed pursuant
36 to paragraph (2) of subsection (a) by any city located in such county shall
37 expire upon the effective date of the imposition of the countywide tax,
38 and thereafter the state treasurer shall remit to each such city that portion
39 of the countywide tax revenue collected by retailers within such city as
40 certified by the director of taxation. The tax imposed pursuant to this
41 paragraph shall be deemed to be in addition to the rate limitations pre-
42 scribed in K.S.A. 12-189, and amendments thereto. As used in this par-
43 agraph, health care services shall include but not be limited to the follow-

1 ing: Local health departments, city or county hospitals, city or county
2 nursing homes, preventive health care services including immunizations,
3 prenatal care and the postponement of entry into nursing homes by home
4 care services, mental health services, indigent health care, physician or
5 health care worker recruitment, health education, emergency medical
6 services, rural health clinics, integration of health care services, home
7 health services and rural health networks.

8 (6) The board of county commissioners of Allen county may submit
9 the question of imposing a countywide retailers' sales tax at the rate of
10 .5% and pledging the revenue received therefrom for the purpose of
11 financing the costs of operation and construction of a solid waste disposal
12 area or the modification of an existing landfill to comply with federal
13 regulations to the electors at an election called and held thereon. The tax
14 imposed pursuant to this paragraph shall expire upon the payment of all
15 costs incurred in the financing of the project undertaken. Nothing in this
16 paragraph shall be construed to allow the rate of tax imposed by Allen
17 county pursuant to this paragraph to exceed or be imposed at any rate
18 other than the rates prescribed in K.S.A. 12-189 and amendments
19 thereto.

20 (7) The board of county commissioners of Clay, Dickinson and Miami
21 county may submit the question of imposing a countywide retailers' sales
22 tax at the rate of .50% in the case of Clay and Dickinson county and at a
23 rate of up to 1% in the case of Miami county, and pledging the revenue
24 received therefrom for the purpose of financing the costs of roadway
25 construction and improvement to the electors at an election called and
26 held thereon. The tax imposed pursuant to this paragraph shall expire
27 after five years from the date such tax is first collected.

28 (8) The board of county commissioners of Sherman county may sub-
29 mit the question of imposing a countywide retailers' sales tax at the rate
30 of .25%, .5% or .75% and pledging the revenue therefrom for the purpose
31 of financing the costs of the county roads 64 and 65 construction and
32 improvement project. The tax imposed pursuant to this paragraph shall
33 expire upon payment of all costs authorized pursuant to this paragraph
34 in the financing of such project.

35 (9) The board of county commissioners of Cowley, Russell and
36 Woodson county may submit the question of imposing a countywide re-
37 tailers' sales tax at the rate of .5% in the case of Russell and Woodson
38 county and at a rate of up to .25%, in the case of Cowley county and
39 pledging the revenue received therefrom for the purpose of financing
40 economic development initiatives or public infrastructure projects. The
41 tax imposed pursuant to this paragraph shall expire after five years from
42 the date such tax is first collected.

43 (10) The board of county commissioners of Franklin county may sub-

1 mit the question of imposing a countywide retailers' sales tax at the rate
2 of .25% and pledging the revenue received therefrom for the purpose of
3 financing recreational facilities. The tax imposed pursuant to this para-
4 graph shall expire upon payment of all costs authorized in financing such
5 facilities.

6 (11) The board of county commissioners of Douglas county may submit
7 to the question of imposing a countywide retailers' sales tax at the
8 rate of .25% and pledging the revenue received therefrom for the pur-
9 poses of preservation, access and management of open space, and for
10 industrial and business park related economic development.

11 (c) The boards of county commissioners of any two or more contigu-
12 uous counties, upon adoption of a joint resolution by such boards, may
13 submit the question of imposing a retailers' sales tax within such counties
14 to the electors of such counties at an election called and held thereon
15 and such boards of any two or more contiguous counties shall be required
16 to submit such question upon submission of a petition in each of such
17 counties, signed by a number of electors of each of such counties where
18 submitted equal in number to not less than 10% of the electors of each
19 of such counties who voted at the last preceding general election for the
20 office of secretary of state, or upon receiving resolutions requesting such
21 an election passed by not less than $\frac{2}{3}$ of the membership of the governing
22 body of each of one or more cities within each of such counties which
23 contains a population of not less than 25% of the entire population of
24 each of such counties, or upon receiving resolutions requesting such an
25 election passed by $\frac{2}{3}$ of the membership of the governing body of each
26 of one or more taxing subdivisions within each of such counties which
27 levy not less than 25% of the property taxes levied by all taxing subdivi-
28 sions within each of such counties.

29 (d) Any city retailers' sales tax in the amount of .5% being levied by
30 a city on July 1, 1990, shall continue in effect until repealed in the manner
31 provided herein for the adoption and approval of such tax or until re-
32 pealed by the adoption of an ordinance so providing. In addition to any
33 city retailers' sales tax being levied by a city on July 1, 1990, any such city
34 may adopt an additional city retailers' sales tax in the amount of .25% or
35 .5%, provided that such additional tax is adopted and approved in the
36 manner provided for the adoption and approval of a city retailers' sales
37 tax. Any countywide retailers' sales tax in the amount of .5% or 1% in
38 effect on July 1, 1990, shall continue in effect until repealed in the manner
39 provided herein for the adoption and approval of such tax.

40 (e) A class D city shall have the same power to levy and collect a city
41 retailers' sales tax that a class A city is authorized to levy and collect and
42 in addition, the governing body of any class D city may submit the ques-
43 tion of imposing an additional city retailers' sales tax in the amount of

1 .125%, .25%, .5% or .75% and pledging the revenue received therefrom
2 for economic development initiatives, strategic planning initiatives or for
3 public infrastructure projects including buildings to the electors at an
4 election called and held thereon. Any additional sales tax imposed pur-
5 suant to this paragraph shall expire no later than five years from the date
6 of imposition thereof, except that any such tax imposed by any class D
7 city after the effective date of this act shall expire no later than 10 years
8 from the date of imposition thereof.

9 (f) Any city or county proposing to adopt a retailers' sales tax shall
10 give notice of its intention to submit such proposition for approval by the
11 electors in the manner required by K.S.A. 10-120, and amendments
12 thereto. The notices shall state the time of the election and the rate and
13 effective date of the proposed tax. If a majority of the electors voting
14 thereon at such election fail to approve the proposition, such proposition
15 may be resubmitted under the conditions and in the manner provided in
16 this act for submission of the proposition. If a majority of the electors
17 voting thereon at such election shall approve the levying of such tax, the
18 governing body of any such city or county shall provide by ordinance or
19 resolution, as the case may be, for the levy of the tax. Any repeal of such
20 tax or any reduction or increase in the rate thereof, within the limits
21 prescribed by K.S.A. 12-189, and amendments thereto, shall be accom-
22 plished in the manner provided herein for the adoption and approval of
23 such tax except that the repeal of any such city retailers' sales tax may be
24 accomplished by the adoption of an ordinance so providing.

25 (g) The sufficiency of the number of signers of any petition filed
26 under this section shall be determined by the county election officer.
27 Every election held under this act shall be conducted by the county elec-
28 tion officer.

29 (h) The governing body of the city or county proposing to levy any
30 retailers' sales tax shall specify the purpose or purposes for which the
31 revenue would be used, and a statement generally describing such pur-
32 pose or purposes shall be included as a part of the ballot proposition.

33 Sec. 2. K.S.A. 2002 Supp. 12-187 is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its
35 publication in the statute book.

36
37
38
39
40
41
42
43