

## HOUSE BILL No. 2824

By Representatives Rehorn and Patterson, Ballard, Bethell, Boyer, Cox, Crow, Davis, Gilbert, Horst, Huff, Hutchins, Kirk, Loganbill, Merrick, Jim Morrison, Judy Morrison, Neighbor, Toelkes, Yonally

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11 AN ACT creating the health care for seniors fund; concerning the dis-  
12 position of a sales tax and compensating use tax proceeds; prescribing  
13 certain powers, duties and functions for the secretary of aging and  
14 secretary of revenue; amending K.S.A. 2003 Supp. 79-3620 and 79-  
15 3710 and repealing the existing sections.

16  
17 *Be it enacted by the Legislature of the State of Kansas:*

18 New Section 1. (a) There is hereby established in the state treasury  
19 the health care for seniors fund which shall be administered by the sec-  
20 retary of aging as provided by law.

21 (b) All moneys credited to the health care for seniors fund shall be  
22 used for additional funding for health care programs, assistance and serv-  
23 ices for seniors. Moneys allocated or appropriated from the health care  
24 for seniors fund shall not be used to replace or substitute for moneys  
25 appropriated from the state general fund in the immediately preceding  
26 fiscal year. All expenditures from the health care for seniors fund shall be  
27 made in accordance with appropriation acts upon warrants of the director  
28 of accounts and reports issued pursuant to vouchers approved by the  
29 secretary of aging or the secretary's designee.

30 (c) On or before the 10th day of each month, the director of accounts  
31 and reports shall transfer from the state general fund to the health care  
32 for seniors fund interest earnings based on (1) the average daily balance  
33 of moneys in the health care for seniors fund and (2) the net earnings  
34 rate of the pooled money investment portfolio for the preceding month.

35 (d) As used in this section, "senior" means an individual who resides  
36 in Kansas, who is 60 years of age or older and who is in need of health  
37 care.

38 Sec. 2. K.S.A. 2003 Supp. 79-3620 is hereby amended to read as  
39 follows: 79-3620. (a) All revenue collected or received by the director of  
40 taxation from the taxes imposed by this act shall be remitted to the state  
41 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
42 amendments thereto. Upon receipt of each such remittance, the state  
43 treasurer shall deposit the entire amount in the state treasury, less

1 amounts withheld as provided in subsection (b) and amounts credited as  
2 provided in ~~subsection~~ *subsections* (c) ~~and~~, (d) *and* (e), to the credit of  
3 the state general fund.

4 (b) A refund fund, designated as “sales tax refund fund” not to exceed  
5 \$100,000 shall be set apart and maintained by the director from sales tax  
6 collections and estimated tax collections and held by the state treasurer  
7 for prompt payment of all sales tax refunds including refunds authorized  
8 under the provisions of K.S.A. 79-3635, and amendments thereto. Such  
9 fund shall be in such amount, within the limit set by this section, as the  
10 director shall determine is necessary to meet current refunding require-  
11 ments under this act. In the event such fund as established by this section  
12 is, at any time, insufficient to provide for the payment of refunds due  
13 claimants thereof, the director shall certify the amount of additional funds  
14 required to the director of accounts and reports who shall promptly trans-  
15 fer the required amount from the state general fund to the sales tax refund  
16 fund, and notify the state treasurer, who shall make proper entry in the  
17 records.

18 (c) (1) The state treasurer shall credit  $\frac{5}{100}$ s of the revenue collected  
19 or received from the tax imposed by K.S.A. 79-3603, and amendments  
20 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),  
21 exclusive of amounts credited pursuant to ~~subsection~~ *subsections* (d) *and*  
22 (e), in the state highway fund.

23 (2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or  
24 received from the tax imposed by K.S.A. 79-3603, and amendments  
25 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),  
26 exclusive of amounts credited pursuant to ~~subsection~~ *subsections* (d) *and*  
27 (e), in the state highway fund.

28 (3) The state treasurer shall credit  $\frac{1}{20}$  of the revenue collected and  
29 received from the tax imposed by K.S.A. 79-3603, and amendments  
30 thereto, at the rate of 5%, and deposited as provided by subsection (a),  
31 exclusive of amounts credited pursuant to ~~subsection~~ *subsections* (d) *and*  
32 (e), in the state highway fund.

33 (d) The state treasurer shall credit all revenue collected or received  
34 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as  
35 certified by the director, from taxpayers doing business within that por-  
36 tion of a redevelopment district occupied by a redevelopment project that  
37 was determined by the secretary of commerce and housing to be of state-  
38 wide as well as local importance or will create a major tourism area for  
39 the state as defined in K.S.A. 12-1770a, and amendments thereto, to the  
40 city bond finance fund, which fund is hereby created. The provisions of  
41 this subsection shall expire when the total of all amounts credited here-  
42 under and under subsection (d) of K.S.A. 79-3710, and amendments  
43 thereto, is sufficient to retire the special obligation bonds issued for the

1 purpose of financing all or a portion of the costs of such redevelopment  
2 project.

3 (e) On or before July 10, 2004, and on or before the 10th day of each  
4 month thereafter, the secretary of revenue shall estimate the amount of  
5 revenue collected or received during the immediately preceding calendar  
6 month from the tax imposed by K.S.A. 79-3603, and amendments thereto,  
7 equal to 5% of the monthly proceeds of such tax imposed by the state on  
8 each sale of tangible personal property at retail, by sellers who first com-  
9 mence remittance of the tax imposed by K.S.A. 79-3603, and amendments  
10 thereto, on or after July 1, 2003, conducted through the use of electronic  
11 means of communication, which shall be credited to the health care for  
12 seniors fund established by section 1, and amendments thereto, except  
13 that the aggregate amount credited pursuant to this subsection shall not  
14 exceed 5% of such proceeds or \$3,500,000 during any fiscal year. The  
15 secretary of revenue shall certify each amount so estimated and, upon  
16 receipt of such certification, the state treasurer shall credit the amount  
17 certified to the health care for seniors fund. The secretary of revenue shall  
18 adopt rules and regulations for the administration of this act and pre-  
19 scribing the methodology to be applied to make the estimations required  
20 by this subsection. As used in this subsection, "through electronic means  
21 of communication" means and includes through any internet, telephone  
22 or other electronic means of communication as determined by the secre-  
23 tary of revenue, in accordance with rules and regulations adopted by the  
24 secretary of revenue, including any catalog sales effectuated through any  
25 such means.

26 Sec. 3. K.S.A. 2003 Supp. 79-3710 is hereby amended to read as  
27 follows: 79-3710. (a) All revenue collected or received by the director  
28 under the provisions of this act shall be remitted to the state treasurer in  
29 accordance with the provisions of K.S.A. 75-4215, and amendments  
30 thereto. Upon receipt of each such remittance, the state treasurer shall  
31 deposit the entire amount in the state treasury, less amounts set apart as  
32 provided in subsection (b) and amounts credited as provided in ~~subsection~~  
33 ~~subsections~~ (c) ~~and~~, (d) and (e), to the credit of the state general fund.

34 (b) A revolving fund, designated as "compensating tax refund fund"  
35 not to exceed \$10,000 shall be set apart and maintained by the director  
36 from compensating tax collections and estimated tax collections and held  
37 by the state treasurer for prompt payment of all compensating tax refunds.  
38 Such fund shall be in such amount, within the limit set by this section,  
39 as the director shall determine is necessary to meet current refunding  
40 requirements under this act.

41 (c) (1) The state treasurer shall credit  $\frac{5}{8}$ s of the revenue collected  
42 or received from the tax imposed by K.S.A. 79-3703, and amendments  
43 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),

1 exclusive of amounts credited pursuant to ~~subsection~~ *subsections (d) and*  
2 *(e)*, in the state highway fund.

3 (2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or  
4 received from the tax imposed by K.S.A. 79-3703, and amendments  
5 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),  
6 exclusive of amounts credited pursuant to ~~subsection~~ *subsections (d) and*  
7 *(e)*, in the state highway fund.

8 (3) The state treasurer shall credit  $\frac{1}{20}$  of the revenue collected or  
9 received from the tax imposed by K.S.A. 79-3703, and amendments  
10 thereto, at the rate of 5%, and deposited as provided by subsection (a),  
11 exclusive of amounts credited pursuant to ~~subsection~~ *subsections (d) and*  
12 *(e)*, in the state highway fund.

13 (d) The state treasurer shall credit all revenue collected or received  
14 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
15 certified by the director, from taxpayers doing business within that por-  
16 tion of a redevelopment district occupied by a redevelopment project that  
17 was determined by the secretary of commerce and housing to be of state-  
18 wide as well as local importance or will create a major tourism area for  
19 the state as defined in K.S.A. 12-1770a, and amendments thereto, to the  
20 city bond finance fund created by subsection (d) of K.S.A. 79-3620, and  
21 amendments thereto. The provisions of this subsection shall expire when  
22 the total of all amounts credited hereunder and under ~~subsection~~ *sub-*  
23 *sections (d) and (e)* of K.S.A. 79-3620, and amendments thereto, is suf-  
24 ficient to retire the special obligation bonds issued for the purpose of  
25 financing all or a portion of the costs of such redevelopment project.

26 (e) *On or before July 10, 2004, and on or before the 10th day of each*  
27 *month thereafter, the secretary of revenue shall estimate the amount of*  
28 *revenue collected or received during the immediately preceding calendar*  
29 *month from the tax imposed by K.S.A. 79-3703, and amendments thereto,*  
30 *equal to 5% of the monthly proceeds of such tax imposed by the state*  
31 *regarding tangible personal property, by sellers who first commence re-*  
32 *mittance of the tax imposed by K.S.A. 79-3703, and amendments thereto,*  
33 *on or after July 1, 2003, that was acquired through the use of electronic*  
34 *means of communication, which shall be credited to the health care for*  
35 *seniors fund established by section 1, and amendments thereto, except*  
36 *that the aggregate amount credited pursuant to this subsection shall not*  
37 *exceed 5% of such proceeds or \$3,500,000 during any fiscal year. The*  
38 *secretary of revenue shall certify each amount so estimated and, upon*  
39 *receipt of such certification, the state treasurer shall credit the amount*  
40 *certified to the health care for seniors fund. The secretary of revenue shall*  
41 *adopt rules and regulations for the administration of this act and pre-*  
42 *scribing the methodology to be applied to make the determinations re-*  
43 *quired by this subsection. As used in this subsection, "through electronic*

1 *means of communication” means and includes through any internet, tel-*  
2 *ephone or other electronic means of communication as determined by the*  
3 *secretary of revenue, in accordance with rules and regulations adopted*  
4 *by the secretary of revenue, including catalog sales effectuated through*  
5 *any such means.*

6 Sec. 4. K.S.A. 2003 Supp. 79-3620 and 79-3710 are hereby repealed.

7 Sec. 5. This act shall take effect and be in force from and after its  
8 publication in the statute book.