

HOUSE BILL No. 2935

By Committee on Taxation

3-16

AN ACT concerning taxation; relating to authority of cities, counties and school districts to impose certain taxes; repeal of certain transfers to local units of government; amending K.S.A. 12-140, 12-1,101, 12-1,106, 65-163j, 65-3306, 65-3327 and 68-581 and K.S.A. 2003 Supp. 12-187, 12-189, 12-192, 19-101a, 79-3425, 79-34,104 and 79-34,126 and repealing the existing sections; also repealing K.S.A. 19-2694, 68-581a, 79-2960, 79-2961, 79-2962, 79-2965, 79-2966, 79-2967, 79-3425f and 79-3425g and K.S.A. 2003 Supp. 79-2959, 79-2964, 79-3425c, 79-3425i and 79-34,147.

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

New Section 1. (a) (1) Any municipality is hereby empowered and authorized in accordance with the provisions of this act to levy a tax upon the earnings of: (A) All individuals employed within that municipality; and (B) all resident individuals of that municipality that are employed outside that municipality.

(2) The rate of any earnings tax shall be as determined by the municipality.

(b) (1) Any municipality proposing to adopt an earnings tax shall adopt by a $\frac{2}{3}$ majority vote of the governing body of such municipality an ordinance or resolution giving notice of its intention to submit such proposition for approval by the electors in the manner required by K.S.A. 25-105, and amendments thereto. The notice shall state the time of the election, the rate of the tax and the purposes for which the proceeds shall be expended. No municipality shall levy an earnings tax until the governing body of such municipality shall first submit such proposition to and receive the approval of a majority of the electors of the municipality voting thereon at the next general election following approval by the governing body. Every election held under this act shall be conducted by the county election officer.

(2) If a majority of the electors voting thereon at such election shall approve the levying of such tax, the governing body of that municipality shall provide by ordinance or resolution for the levy of the tax. Any repeal of such tax, or any reduction or increase in the rate thereof, within the limits of this act, shall be accomplished in the manner provided for in

1 this act for the adoption and approval of such tax, except that, the gov-
2 erning body of a municipality shall be required to submit such question
3 of repeal of such tax upon submission of a petition signed by electors of
4 such municipality equal in number to not less than 5% of the electors of
5 such municipality who voted at the last general election prior to the sub-
6 mittance of the petition. If a majority of the electors voting thereon at
7 such election fail to approve the proposition, it may be resubmitted under
8 the conditions and in the manner provided in this act for submission of
9 the original proposition.

10 (c) As used in this act: (1) "Earnings" means any and all amounts paid
11 to individuals in the form of wages, salaries, commissions, fees or other
12 forms of compensation compensating such individual for labor or services
13 rendered. As applied to individuals, a person shall be considered em-
14 ployed within such municipality if such person's primary place of business
15 is located within such municipality; and

16 (2) "municipality" means any city, county or school district.

17 (d) Any person or organization exempt from the payment of the state
18 income tax pursuant to K.S.A. 79-32,113, and amendments thereto, shall
19 be exempt from the payment of an earnings tax levied pursuant to this
20 act.

21 (e) The amount of earnings tax paid to another municipality with an
22 earnings tax by a resident individual shall be allowed as a credit against
23 the earnings tax of the municipality of their residence.

24 (f) (1) Any municipality levying an earnings tax as provided in this
25 act shall utilize the services of the department of revenue to administer,
26 enforce and collect such tax. Any ordinance or resolution authorizing the
27 levy of a municipality earnings tax shall incorporate by reference the pro-
28 visions of article 32 of chapter 79 of the Kansas Statutes Annotated, and
29 amendments thereto, providing the procedure for the collection and ad-
30 ministration of income taxes, insofar as the provisions of such law may be
31 made applicable to a municipality earnings tax. The department of rev-
32 enue is hereby authorized to adopt such rules and regulations as may be
33 necessary to provide for the withholding by employers of any local earn-
34 ings tax and may require any employer in the state of Kansas to furnish
35 any information necessary for the administration, enforcement and col-
36 lection of such tax.

37 (2) Upon the receipt of a certified copy of an ordinance or resolution
38 authorizing the levy of a municipality earnings tax, the secretary of rev-
39 enue shall cause all necessary forms to be prepared and such taxes to be
40 collected at the same time and in the manner provided for the collection
41 of the state income tax. The secretary of revenue is hereby authorized to
42 administer and collect the earnings tax of such municipality and to adopt
43 such rules and regulations as may be necessary for the efficient and ef-

1 fective administration and enforcement thereof. The secretary shall credit
2 all moneys received therefrom to a municipality earnings tax fund, which
3 fund is hereby established in the state treasury. The secretary of revenue
4 shall transfer from the municipality earnings tax fund to the municipality
5 earnings tax refund fund, which fund is hereby created, an amount
6 deemed sufficient by the secretary to pay any refunds due from any tax
7 levied under the provisions of this section. All local earnings tax revenue
8 collected from such municipality pursuant to this act shall be remitted at
9 least quarterly by the state treasurer, on instruction from the secretary of
10 revenue, to the treasurer of such municipality.

11 New Sec. 2. (a) (1) The governing body of any municipality may impose
12 an individual income tax surtax upon every individual residing in the
13 municipality on December 31 of any year. Any municipality proposing to
14 adopt an income tax surcharge shall adopt by a $\frac{2}{3}$ majority of the gov-
15 erning body of such municipality an ordinance or resolution giving notice
16 of its intention to submit such proposition for approval by the electors in
17 the manner required by K.S.A. 25-105, and amendments thereto. The
18 notice shall state the time of the election, the rate of the tax and the
19 purposes for which the proceeds shall be expended. No municipality shall
20 impose an income tax surcharge under the provisions of this act without
21 the governing body of such municipality having first submitted such prop-
22 osition to and having received the approval of a majority of the electors
23 of the municipality voting thereon at the next general election following
24 approval by the governing body. If a majority of the electors voting
25 thereon at such election fail to approve the proposition, it may be resub-
26 mitted under the conditions and in the manner provided in this act for
27 submission of the original proposition.

28 (2) The rate of any such surtax shall be a whole percentage of the
29 Kansas adjusted gross income of an individual, as provided in K.S.A. 79-
30 32,117, and amendments thereto.

31 (3) Any ordinance or resolution imposing the surtax authorized by
32 subsection (a)(1) shall provide that any taxpayer's Kansas income tax lia-
33 bility shall be allocated and apportioned in the same manner and under
34 the same limitations and conditions as provided in the uniform division
35 of income for tax purposes act, insofar as the same can be made appli-
36 cable, and under rules and regulations adopted for such purpose by the
37 secretary of revenue.

38 (b) The governing body of any municipality which has imposed an
39 individual income tax surtax under the provisions of this act, in any sub-
40 sequent year, may increase or decrease the rate of such surtax or repeal
41 any such surtax in the manner prescribed for imposing such surtax under
42 the provisions of subsection (a), except that the governing body of a mu-
43 nicipality shall be required to submit such question of repeal of any surtax

1 upon submission of a petition signed by electors of such municipality
2 equal in number to not less than 5% of the electors of such municipality
3 who voted at the last general election prior to submittance of the petition.
4 Any change in rate or repeal of such surtax shall become effective on
5 January 1 of the year next following the year in which such change in rate
6 or repeal is adopted.

7 (c) Any municipality imposing an income tax surtax shall utilize the
8 services of the department of revenue to administer, enforce and collect
9 such tax. Any ordinance or resolution authorizing the imposition of an
10 income tax surtax shall incorporate by reference the provisions of article
11 32 of chapter 79 of the Kansas Statutes Annotated, and amendments
12 thereto, providing the procedure for the collection and administration of
13 income taxes, insofar as the provisions of such law may be applicable to
14 a municipality income tax surtax. The department of revenue is hereby
15 authorized to adopt such rules and regulations as may be necessary to
16 provide for the withholding by employers of any municipality income tax
17 surtax and may require any employer in the state of Kansas to furnish any
18 information necessary for the administration, enforcement and collection
19 of such tax.

20 (d) Upon receipt of a certified copy of a municipality's ordinance or
21 resolution authorizing the imposition of a municipality income tax surtax,
22 the secretary of revenue shall cause all necessary forms to be prepared
23 and such taxes to be collected at the same time and in the manner pro-
24 vided for the collection of the state income tax. The secretary of revenue
25 is hereby authorized to administer and collect the municipality income
26 tax surtax of any such municipality and to adopt such rules and regulations
27 as may be necessary for the efficient and effective administration and
28 enforcement thereof. The secretary shall credit all moneys received there-
29 from to a municipality income tax surtax fund, which is hereby established
30 in the state treasury. The secretary of revenue shall transfer from such
31 fund to the municipality income tax surtax refund fund, which fund is
32 hereby created, an amount deemed sufficient by the director to pay any
33 refunds due from any tax levied under the provisions of this act. All rev-
34 enue collected from any municipality income tax surtax shall be remitted
35 at least quarterly by the state treasurer, on instruction from the secretary
36 of revenue, to the treasurer of such municipality.

37 (e) Any municipality income tax surtax imposed under the provisions
38 of this section shall not become effective until January 1 next following
39 the date of its adoption. Whenever any such surtax shall become effective
40 at any time prior to the time that revenue derived therefrom may be
41 budgeted for expenditure in such year, such revenue shall be credited to
42 the funds of the taxing subdivision or subdivisions and shall be carried
43 forward to the credit of such funds for the ensuing budget year in the

1 manner provided for carrying forward balances remaining in such funds
2 at the end of a budget year. All revenue received by a municipality from
3 the proceeds of a municipality income tax surtax imposed shall be de-
4 posited in the municipality general fund or in any other fund or funds of
5 the municipality if such fund was specified in the ballot proposition.

6 (f) As used in this section, "municipality" means any city, county or
7 school district.

8 Sec. 3. K.S.A. 12-140 is hereby amended to read as follows: 12-140.
9 Except as otherwise specifically authorized by K.S.A. 12-1,101 to 12-
10 1,109, *and amendments thereto, and sections 1 and 2, and amendments*
11 *thereto*, no city shall have power to levy and collect taxes on incomes from
12 whatever source derived.

13 Sec. 4. K.S.A. 2003 Supp. 12-187 is hereby amended to read as fol-
14 lows: 12-187. (a) ~~(1)~~ *Any municipality proposing to impose a retailers'*
15 *sales tax under the provisions of this act, shall adopt by a 2/3 majority vote*
16 *of the governing body of such municipality an ordinance or resolution*
17 *giving notice of its intention to submit such proposition for approval by*
18 *the electors of the municipality in the manner required by K.S.A. 25-105,*
19 *and amendments thereto. The notice shall state the time of the election,*
20 *the rate of the tax and the purposes for which the earnings shall be ex-*
21 *pended. No city municipality shall impose a retailers' sales tax under the*
22 *provisions of this act without the governing body of such city municipality*
23 *having first submitted such proposition to and having received the ap-*
24 *proval of a majority of the electors of the city municipality voting thereon*
25 *at an the next general election called and held therefor following such*
26 *approval by the governing body. The governing body of any city munic-*
27 *ipality may submit the question of imposing a retailers' sales tax and the*
28 *governing body shall be required to submit the question upon submission*
29 *of a petition signed by electors of such city municipality equal in number*
30 *to not less than 10% of the electors of such city municipality.*

31 ~~(2)~~ *The governing body of any class B city located in any county which*
32 *does not impose a countywide retailers' sales tax pursuant to paragraph*
33 *(5) of subsection (b) may submit the question of imposing a retailers' sales*
34 *tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue re-*
35 *ceived therefrom for the purpose of financing the provision of health care*
36 *services, as enumerated in the question, to the electors at an election*
37 *called and held thereon. The tax imposed pursuant to this paragraph shall*
38 *be deemed to be in addition to the rate limitations prescribed in K.S.A.*
39 *12-189, and amendments thereto. As used in this paragraph, health care*
40 *services shall include but not be limited to the following: Local health*
41 *departments, city, county or district hospitals, city or county nursing*
42 *homes, preventive health care services including immunizations, prenatal*
43 *care and the postponement of entry into nursing homes by home health*

1 care services, mental health services, indigent health care, physician or
2 health care worker recruitment, health education, emergency medical
3 services, rural health clinics, integration of health care services, home
4 health services and rural health networks.

5 — (b) (1) The board of county commissioners of any county may submit
6 the question of imposing a countywide retailers' sales tax to the electors
7 at an election called and held thereon, and any such board shall be re-
8 quired to submit the question upon submission of a petition signed by
9 electors of such county equal in number to not less than 10% of the
10 electors of such county who voted at the last preceding general election
11 for the office of secretary of state, or upon receiving resolutions request-
12 ing such an election passed by not less than $\frac{2}{3}$ of the membership of the
13 governing body of each of one or more cities within such county which
14 contains a population of not less than 25% of the entire population of the
15 county, or upon receiving resolutions requesting such an election passed
16 by $\frac{2}{3}$ of the membership of the governing body of each of one or more
17 taxing subdivisions within such county which levy not less than 25% of
18 the property taxes levied by all taxing subdivisions within the county.

19 — (2) The board of county commissioners of Anderson, Atchison, Bar-
20 ton, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Jefferson, Lyon,
21 Montgomery, Neosho, Osage, Ottawa, Riley, Saline, Seward, Sumner,
22 Wabaunsee, Wilson and Wyandotte counties may submit the question of
23 imposing a countywide retailers' sales tax and pledging the revenue re-
24 ceived therefrom for the purpose of financing the construction or re-
25 modeling of a courthouse, jail, law enforcement center facility or other
26 county administrative facility, to the electors at an election called and
27 held thereon. The tax imposed pursuant to this paragraph shall expire
28 when sales tax sufficient to pay all of the costs incurred in the financing
29 of such facility has been collected by retailers as determined by the sec-
30 retary of revenue. Nothing in this paragraph shall be construed to allow
31 the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery,
32 Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to
33 exceed or be imposed at any rate other than the rates prescribed in K.S.A.
34 12-189, and amendments 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 sub-~~
7 ~~mit 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 ~~—(12) The board of county commissioners of Shawnee county may sub-~~
12 ~~mit the question of imposing a countywide retailers' sales tax at the rate~~
13 ~~of .25% and pledging the revenue received therefrom to the city of To-~~
14 ~~peka for the purpose of financing the costs of rebuilding the Topeka~~
15 ~~boulevard bridge and other public infrastructure improvements associ-~~
16 ~~ated with such project to the electors at an election called and held~~
17 ~~thereon. The tax imposed pursuant to this paragraph shall expire upon~~
18 ~~payment of all costs authorized in financing such project.~~

19 ~~—(13) The board of county commissioners of Jackson county may sub-~~
20 ~~mit the question of imposing a countywide retailers' sales tax at a rate of~~
21 ~~.4% and pledging the revenue received therefrom as follows: 50% of such~~
22 ~~revenues for the purpose of financing for economic development initia-~~
23 ~~tives, and 50% of such revenues for the purpose of financing public in-~~
24 ~~frastructure projects to the electors at an election called and held thereon.~~
25 ~~The tax imposed pursuant to this paragraph shall expire after seven years~~
26 ~~from the date such tax is first collected.~~

27 ~~(e) (b) The boards of county commissioners of any two or more con-~~
28 ~~tiguous counties, upon adoption of a joint resolution by such boards, may~~
29 ~~submit the question of imposing a retailers' sales tax within such counties~~
30 ~~to the electors of such counties at an election called and held thereon~~
31 ~~and such boards of any two or more contiguous counties shall be required~~
32 ~~to submit such question upon submission of a petition in each of such~~
33 ~~counties, signed by a number of electors of each of such counties where~~
34 ~~submitted equal in number to not less than 10% of the electors of each~~
35 ~~of such counties who voted at the last preceding general election for the~~
36 ~~office of secretary of state, or upon receiving resolutions requesting such~~
37 ~~an election passed by not less than $\frac{2}{3}$ of the membership of the governing~~
38 ~~body of each of one or more cities within each of such counties which~~
39 ~~contains a population of not less than 25% of the entire population of~~
40 ~~each of such counties, or upon receiving resolutions requesting such an~~
41 ~~election passed by $\frac{2}{3}$ of the membership of the governing body of each~~
42 ~~of one or more taxing subdivisions within each of such counties which~~
43 ~~levy not less than 25% of the property taxes levied by all taxing subdivi-~~

1 sions within each of such counties.

2 (d) ~~Any city retailers' sales tax in the amount of .5% being levied by~~
3 ~~a city on July 1, 1990, shall continue in effect until repealed in the manner~~
4 ~~provided herein for the adoption and approval of such tax or until re-~~
5 ~~pealed by the adoption of an ordinance so providing. In addition to any~~
6 ~~city retailers' sales tax being levied by a city on July 1, 1990, any such city~~
7 ~~may adopt an additional city retailers' sales tax in the amount of .25% or~~
8 ~~.5%, provided that such additional tax is adopted and approved in the~~
9 ~~manner provided for the adoption and approval of a city retailers' sales~~
10 ~~tax. Any countywide retailers' sales tax in the amount of .5% or 1% in~~
11 ~~effect on July 1, 1990, shall continue in effect until repealed in the manner~~
12 ~~provided herein for the adoption and approval of such tax.~~

13 (e) ~~A class D city shall have the same power to levy and collect a city~~
14 ~~retailers' sales tax that a class A city is authorized to levy and collect and~~
15 ~~in addition, the governing body of any class D city may submit the ques-~~
16 ~~tion of imposing an additional city retailers' sales tax in the amount of~~
17 ~~.125%, .25%, .5% or .75% and pledging the revenue received therefrom~~
18 ~~for economic development initiatives, strategic planning initiatives or for~~
19 ~~public infrastructure projects including buildings to the electors at an~~
20 ~~election called and held thereon. Any additional sales tax imposed pur-~~
21 ~~suant to this paragraph shall expire no later than five years from the date~~
22 ~~of imposition thereof, except that any such tax imposed by any class D~~
23 ~~city after the effective date of this act shall expire no later than 10 years~~
24 ~~from the date of imposition thereof.~~

25 (f) (c) ~~Any city or county proposing to adopt a retailers' sales tax shall~~
26 ~~give notice of its intention to submit such proposition for approval by the~~
27 ~~electors in the manner required by K.S.A. 10-120, and amendments~~
28 ~~thereto. The notices shall state the time of the election and the rate and~~
29 ~~effective date of the proposed tax. If a majority of the electors voting~~
30 ~~thereon at such election fail to approve the proposition, such proposition~~
31 ~~may be resubmitted under the conditions and in the manner provided in~~
32 ~~this act for submission of the proposition. If a majority of the electors~~
33 ~~voting thereon at such election shall approve the levying of such tax, the~~
34 ~~governing body of any such city or county municipality shall provide by~~
35 ~~ordinance or resolution, as the case may be, for the levy of the tax. Any~~
36 ~~repeal of such tax or any reduction or increase in the rate thereof, within~~
37 ~~the limits prescribed by K.S.A. 12-189, and amendments thereto, shall~~
38 ~~be accomplished in the manner provided herein for the adoption and~~
39 ~~approval of such tax except that the repeal of any such city retailers' sales~~
40 ~~tax may be accomplished by the adoption of an ordinance so providing.~~
41 *The governing body of a municipality shall be required to submit the*
42 *question of repeal of any tax pursuant to this section upon submission of*
43 *a petition signed by electors of such municipality equal in number to not*

1 *less than 5% of the electors of such municipality who voted at the last*
2 *general election prior to the submittance of the petition. If a majority of*
3 *the electors voting thereon at such election fail to approve the proposition,*
4 *it may be resubmitted under the conditions and in the manner provided*
5 *in this act for submission of the original proposition.*

6 ~~(g)~~ (d) The sufficiency of the number of signers of any petition filed
7 under this section shall be determined by the county election officer.
8 Every election held under this act shall be conducted by the county elec-
9 tion officer.

10 ~~(h)~~ (e) The governing body of the ~~city or county~~ *municipality* pro-
11 posing to levy any retailers' sales tax shall specify the purpose or purposes
12 for which the revenue would be used, and a statement generally describ-
13 ing such purpose or purposes shall be included as a part of the ballot
14 proposition.

15 (f) *As used in this section, "municipality" means city, county or school*
16 *district.*

17 Sec. 5. K.S.A. 2003 Supp. 12-189 is hereby amended to read as fol-
18 lows: 12-189. ~~Except as otherwise provided by paragraph (2) of subsection~~
19 ~~(a) of Notwithstanding any provisions to the contrary in K.S.A. 12-187,~~
20 ~~and amendments thereto, the rate of any class A, class B or class C city~~
21 ~~retailers' sales tax imposed by a municipality shall be fixed in the an~~
22 ~~amount of .25%, .5%, .75% or 1% which amount shall be determined by~~
23 ~~the governing body of the city municipality, except that such amount shall~~
24 ~~be in .1% increments. Except as otherwise provided by paragraph (2) of~~
25 ~~subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of any~~
26 ~~class D city retailers' sales tax shall be fixed in the amount of .10%, .25%,~~
27 ~~.5%, .75%, 1%, 1.125%, 1.25%, 1.5% or 1.75%. The rate of any county-~~
28 ~~wide retailers' sales tax shall be fixed in an amount of either .25%, .5%,~~
29 ~~.75% or 1% which amount shall be determined by the board of county~~
30 ~~commissioners, except that:~~

31 ~~—(a) The board of county commissioners of Wabaunsee county, for the~~
32 ~~purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-~~
33 ~~ments thereto, may fix such rate at 1.25%; the board of county commis-~~
34 ~~sioners of Osage county, for the purposes of paragraph (2) of subsection~~
35 ~~(b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%~~
36 ~~or 1.5%; the board of county commissioners of Cherokee, Crawford,~~
37 ~~Ford, Saline, Seward or Wyandotte county, for the purposes of paragraph~~
38 ~~(2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix~~
39 ~~such rate at 1.5%; the board of county commissioners of Atchison county,~~
40 ~~for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and~~
41 ~~amendments thereto, may fix such rate at 1.5% or 1.75% and the board~~
42 ~~of county commissioners of Anderson, Barton, Jefferson or Ottawa~~
43 ~~county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-~~

- 1 ~~187, and amendments thereto, may fix such rate at 2%;~~
2 ~~— (b) the board of county commissioners of Jackson county, for the~~
3 ~~purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amend-~~
4 ~~ments thereto, may fix such rate at 2%;~~
5 ~~— (c) the boards of county commissioners of Finney and Ford counties,~~
6 ~~for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and~~
7 ~~amendments thereto, may fix such rate at .25%;~~
8 ~~— (d) the board of county commissioners of any county for the purposes~~
9 ~~of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments~~
10 ~~thereto, may fix such rate at a percentage which is equal to the sum of~~
11 ~~the rate allowed to be imposed by a board of county commissioners on~~
12 ~~the effective date of this act plus .25%, .5%, .75% or 1%, as the case~~
13 ~~requires;~~
14 ~~— (e) the board of county commissioners of Dickinson county, for the~~
15 ~~purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-~~
16 ~~ments thereto, may fix such rate at 1.5%, and the board of county com-~~
17 ~~missioners of Miami county, for the purposes of paragraph (7) of subsec-~~
18 ~~tion (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at~~
19 ~~1.25%, 1.5%, 1.75% or 2%;~~
20 ~~— (f) the board of county commissioners of Sherman county, for the~~
21 ~~purposes of paragraph (8) of subsection (b) of K.S.A. 12-187, and amend-~~
22 ~~ments thereto, may fix such rate at 1.5%, 1.75% or 2%;~~
23 ~~— (g) the board of county commissioners of Russell county for the pur-~~
24 ~~poses of paragraph (9) of subsection (b) of K.S.A. 12-187, and amend-~~
25 ~~ments thereto, may fix such rate at 1.5%;~~
26 ~~— (h) the board of county commissioners of Franklin county, for the~~
27 ~~purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and~~
28 ~~amendments thereto, may fix such rate at 1.75%; or~~
29 ~~— (i) the board of county commissioners of Douglas county, for the~~
30 ~~purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and~~
31 ~~amendments thereto, may fix such rate at 1.25%.~~

32 Any ~~county or city~~ *municipality* levying a retailers' sales tax is hereby
33 prohibited from administering or collecting such tax locally, but shall util-
34 ize the services of the state department of revenue to administer, enforce
35 and collect such tax. Except as otherwise specifically provided in K.S.A.
36 12-189a, and amendments thereto, such tax shall be identical in its ap-
37 plication, and exemptions therefrom, to the Kansas retailers' sales tax act
38 and all laws and administrative rules and regulations of the state depart-
39 ment of revenue relating to the Kansas retailers' sales tax shall apply to
40 such local sales tax insofar as such laws and rules and regulations may be
41 made applicable. The state director of taxation is hereby authorized to
42 administer, enforce and collect such local sales taxes and to adopt such
43 rules and regulations as may be necessary for the efficient and effective

1 administration and enforcement thereof.

2 Upon receipt of a certified copy of an ordinance or resolution author-
3 izing the levy of a local retailers' sales tax, the director of taxation shall
4 cause such taxes to be collected within or without the boundaries of such
5 ~~taxing subdivision~~ *municipality* at the same time and in the same manner
6 provided for the collection of the state retailers' sales tax. Such copy shall
7 be submitted to the director of taxation within 30 days after adoption of
8 any such ordinance or resolution. All moneys collected by the director of
9 taxation under the provisions of this section shall be credited to a ~~county~~
10 ~~and city~~ *municipality* retailers' sales tax fund which fund is hereby estab-
11 lished in the state treasury. Any refund due on any ~~county or city~~ *munici-*
12 *pality* retailers' sales tax collected pursuant to this act shall be paid out
13 of the sales tax refund fund and reimbursed by the director of taxation
14 from collections of local retailers' sales tax revenue. Except for local re-
15 tailers' sales tax revenue required to be deposited in the redevelopment
16 bond fund established under K.S.A. 74-8927, and amendments thereto,
17 all local retailers' sales tax revenue collected within any ~~county or city~~
18 *municipality* pursuant to this act shall be apportioned and remitted at
19 least quarterly by the state treasurer, on instruction from the director of
20 taxation, to the treasurer of such ~~county or city~~ *municipality*.

21 Revenue that is received from the imposition of a local retailers' sales
22 tax which exceeds the amount of revenue required to pay the costs of a
23 special project for which such revenue was pledged shall be credited to
24 the ~~city or county~~ *municipality* general fund, as the case requires.

25 The director of taxation shall provide, upon request by a city or county
26 clerk or treasurer of any city or county *or an official of a school district*
27 levying a local retailers' sales tax, monthly reports identifying each retailer
28 having a place of business in such ~~city or county~~ *municipality* setting forth
29 the tax liability and the amount of such tax remitted by each retailer
30 during the preceding month and identifying each business location main-
31 tained by the retailer within such ~~city or county~~ *municipality*. Such report
32 shall be made available to the clerk ~~or~~ treasurer *or an official* of such ~~city~~
33 ~~or county~~ *municipality* within a reasonable time after it has been re-
34 quested from the director of taxation. The director of taxation shall be
35 allowed to assess a reasonable fee for the issuance of such report. Infor-
36 mation received by any ~~city or county~~ *municipality* pursuant to this sec-
37 tion shall be confidential, and it shall be unlawful for any officer or em-
38 ployee of such ~~city or county~~ *municipality* to divulge any such information
39 in any manner. Any violation of this paragraph by a ~~city or county~~ *an*
40 officer or employee *of a municipality* is a class B misdemeanor, and such
41 officer or employee shall be dismissed from office.

42 *As used in this act, "municipality" means city, county or school district.*

43 Sec. 6. K.S.A. 2003 Supp. 12-192 is hereby amended to read as fol-

1 lows: 12-192.

2 (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue
3 received by the director of taxation from a countywide retailers'
4 sales tax shall be apportioned among the county and each city located in
5 such county in the following manner: (1) One-half of all revenue received
6 by the director of taxation shall be apportioned among the county and
7 each city located in such county in the proportion that the total tangible
8 property tax levies made in such county in the preceding year for all funds
9 of each such governmental unit bear to the total of all such levies made
10 in the preceding year, and (2) $\frac{1}{2}$ of all revenue received by the director
11 of taxation from such countywide retailers' sales tax shall be apportioned
12 among the county and each city located in such county, first to the county
13 that portion of the revenue equal to the proportion that the population
14 of the county residing in the unincorporated area of the county bears to
15 the total population of the county, and second to the cities in the pro-
16 portion that the population of each city bears to the total population of
17 the county, except that no persons residing within the Fort Riley military
18 reservation shall be included in the determination of the population of
19 any city located within Riley county. All revenue apportioned to a county
20 shall be paid to its county treasurer and shall be credited to the general
21 fund of the county.

22 (b) (1) As an alternative and in lieu of the apportionment formula
23 provided in subsection (a), all revenue received by the director of taxation
24 from a countywide retailers' sales tax imposed within Johnson county at
25 the rate of .75% or 1% after the effective date of this act may be apportioned
26 among the county and each city located in such county in the
27 following manner: (A) The revenue received from the first .5% rate of
28 tax shall be apportioned in the manner prescribed by subsection (a) and
29 (B) the revenue received from the rate of tax exceeding .5% shall be
30 apportioned as follows: (i) One-fourth shall be apportioned among the
31 county and each city located in such county in the proportion that the
32 total tangible property tax levies made in such county in the preceding
33 year for all funds of each such governmental unit bear to the total of all
34 such levies made in the preceding year and (ii) one-fourth shall be ap-
35 portioned among the county and each city located in such county, first to
36 the county that portion of the revenue equal to the proportion that the
37 population of the county residing in the unincorporated area of the county
38 bears to the total population of the county, and second to the cities in the
39 proportion that the population of each city bears to the total population
40 of the county and (iii) one-half shall be retained by the county for its sole
41 use and benefit.

42 (2) In lieu of the apportionment formula provided in subsection (a),
43 all money received by the director of taxation from a countywide sales tax

1 imposed within Montgomery county pursuant to the election held on
2 November 8, 1994, shall be remitted to and shall be retained by the
3 county and expended only for the purpose for which the revenue received
4 from the tax was pledged. All revenue apportioned and paid from the
5 imposition of such tax to the treasurer of any city prior to the effective
6 date of this act shall be remitted to the county treasurer and expended
7 only for the purpose for which the revenue received from the tax was
8 pledged.

9 (c) (1) Except as otherwise provided by paragraph (2) of this subsection,
10 for purposes of subsections (a) and (b), the term "total tangible
11 property tax levies" means the aggregate dollar amount of tax revenue
12 derived from ad valorem tax levies applicable to all tangible property
13 located within each such city or county. The ad valorem property tax levy
14 of any county or city district entity or subdivision shall be included within
15 this term if the levy of any such district entity or subdivision is applicable
16 to all tangible property located within each such city or county.

17 (2) For the purposes of subsections (a) and (b), any ad valorem prop-
18 erty tax levied on property located in a city in Johnson county for the
19 purpose of providing fire protection service in such city shall be included
20 within the term "total tangible property tax levies" for such city regardless
21 of its applicability to all tangible property located within each such city.
22 If the tax is levied by a district which extends across city boundaries, for
23 purposes of this computation, the amount of such levy shall be appor-
24 tioned among each city in which such district extends in the proportion
25 that such tax levied within each city bears to the total tax levied by the
26 district.

27 (d) ~~(1)~~ All revenue received from a countywide retailers' sales tax
28 imposed pursuant to ~~paragraphs (2), (6), (7), (8), (9) or (12) of subsection~~
29 ~~(b) of K.S.A. 12-187, and amendments thereto and directed as such pur-~~
30 ~~suant to the governing body of the county,~~ shall be remitted to and shall
31 be retained by the county and expended only for the purpose for which
32 the revenue received from the tax was pledged.

33 ~~(2) Except as otherwise provided in paragraph (5) of subsection (b)~~
34 ~~of K.S.A. 12-187, and amendments thereto, all revenues received from a~~
35 ~~countywide retailers' sales tax imposed pursuant to paragraph (5) of sub-~~
36 ~~section (b) of K.S.A. 12-187, and amendments thereto, shall be remitted~~
37 ~~to and shall be retained by the county and expended only for the purpose~~
38 ~~for which the revenue received from the tax was pledged.~~

39 (e) All revenue apportioned to the several cities of the county shall
40 be paid to the respective treasurers thereof and deposited in the general
41 fund of the city. Whenever the territory of any city is located in two or
42 more counties and any one or more of such counties do not levy a coun-
43 tywide retailers' sales tax, or whenever such counties do not levy coun-

1 tywide retailers' sales taxes at a uniform rate, the revenue received by
2 such city from the proceeds of the countywide retailers' sales tax, as an
3 alternative to depositing the same in the general fund, may be used for
4 the purpose of reducing the tax levies of such city upon the taxable tan-
5 gible property located within the county levying such countywide retail-
6 ers' sales tax.

7 (f) Prior to March 1 of each year, the secretary of revenue shall advise
8 each county treasurer of the revenue collected in such county from the
9 state retailers' sales tax for the preceding calendar year.

10 (g) Prior to December 31 of each year, the clerk of every county
11 imposing a countywide retailers' sales tax shall provide such information
12 deemed necessary by the secretary of revenue to apportion and remit
13 revenue to the counties and cities pursuant to this section.

14 (h) The provisions of subsections (a) and (b) for the apportionment
15 of countywide retailers' sales tax shall not apply to any revenues received
16 pursuant to a county or countywide retailers' sales tax levied or collected
17 under K.S.A. 74-8929, and amendments thereto. All such revenue col-
18 lected under K.S.A. 74-8929, and amendments thereto, shall be deposited
19 into the redevelopment bond fund established by K.S.A. 74-8927, and
20 amendments thereto, for the period of time set forth in K.S.A. 74-8927,
21 and amendments thereto.

22 Sec. 7. K.S.A. 12-1,101 is hereby amended to read as follows: 12-
23 1,101. (a) In the year 1982 or in any year thereafter, the board of county
24 commissioners of any county is hereby authorized to adopt a resolution
25 imposing a tax for the benefit of such county upon the gross earnings
26 derived from money, notes and other evidence of debt having a tax situs
27 in such county. The rate of tax shall be in the amount of $\frac{1}{8}$ of 1% of the
28 total gross earnings, or any multiple thereof not exceeding an amount
29 equal to $\frac{3}{4}$ of 1% of the total gross earnings derived from such money,
30 notes and other evidence of debt during the taxable year of the taxpayer
31 ending during the last preceding calendar year.

32 (b) In the year 1982 or in any year thereafter, the governing body of
33 any city is hereby authorized to pass an ordinance imposing a tax for the
34 benefit of such city upon the gross earnings derived from money, notes
35 and other evidence of debt having a tax situs in such city. The rate of tax
36 shall be in the amount of $\frac{1}{8}$ of 1% of the total gross earnings, or any
37 multiple thereof not exceeding an amount equal to $2\frac{1}{4}$ % of the total gross
38 earnings derived from such money, notes and other evidence of debt
39 during the taxable year of the taxpayer ending during the last preceding
40 calendar year.

41 (c) In the year 1982 or in any year thereafter, the township board of
42 any township is hereby authorized to adopt a resolution imposing a tax
43 for the benefit of such township upon the gross earnings derived from

1 money, notes and other evidence of debt having a tax situs in such town-
2 ship and outside the corporate limits of any city of the third class. The
3 rate of tax shall be in the amount of $\frac{1}{8}$ of 1% of the total gross earnings,
4 or any multiple thereof not exceeding an amount equal to $2\frac{1}{4}$ % of the
5 total gross earnings derived from such money, notes and other evidence
6 of debt during the taxable year of the taxpayer ending during the last
7 preceding calendar year.

8 (d) *In the year 2004 or in any year thereafter the governing body of*
9 *any school district is hereby authorized to impose a tax for the benefit of*
10 *such school district upon the gross earnings derived from money, notes*
11 *and other evidence of debt having a tax situs in such school district. The*
12 *rate of tax shall be in the amount of $\frac{1}{8}$ of 1% of the total gross earnings,*
13 *or any multiple thereof not exceeding an amount equal to $2\frac{1}{4}$ % of the total*
14 *gross earnings derived from such money, notes and other evidence of debt*
15 *during the taxable year of the taxpayer ending during the last preceding*
16 *calendar year.*

17 (e) For the purpose of authorizing taxes ~~commencing in the year 1983~~
18 ~~and thereafter~~, the county, city ~~or~~ township ~~or school district~~ shall adopt
19 a resolution or pass an ordinance on or before September 1 of the year
20 preceding the year in which the levy of such taxes will commence. A
21 certified copy of any resolution or ordinance adopted or passed imposing,
22 reimposing or eliminating a tax pursuant to this section shall be submitted
23 to the county clerk of the county or counties in which the taxing subdivi-
24 sion is located. On or before July 15, 1983, and July 15 of each year
25 thereafter, the clerk of each county shall transmit to the director of tax-
26 ation of the state department of revenue a list showing the tax rate, if any,
27 imposed on money, notes and other evidence of debt for the following
28 year by the county and every city ~~or~~ township ~~or school district~~ situated
29 within such county.

30 ~~(e) — On or after January 1, 1983,~~ (f) Upon submission of a petition
31 which is in conformance with the provisions of article 36 of chapter 25
32 of the Kansas Statutes Annotated, and amendments thereto, and is signed
33 by not less than 5% of the qualified electors of a county, city ~~or~~ township
34 ~~or school district~~ levying a tax under the provisions of this act requesting
35 the same, the governing body of such taxing subdivision shall be required
36 to submit to the electors of such taxing subdivision at the next state gen-
37 eral election or general election held for the election of officers of such
38 taxing subdivision a proposition which shall be placed on the ballot in
39 substantially the following form: "Shall _____ (county) (city)
40 (township) (*school district*) eliminate the tax on gross earnings derived
41 from money, notes and other evidence of debt and be authorized to im-
42 pose and levy property taxes, in addition to any aggregate levy amount
43 limitation on the taxing subdivision's ad valorem tax levy authority, as may

1 be necessary to offset the revenue lost from elimination of the tax on
2 gross earnings derived from money, notes and other evidence of debt?"
3 Any such election shall be noticed, called and conducted in the manner
4 prescribed in the general bond law. Any election which was otherwise
5 conducted in accordance with the provisions of this subsection but which
6 was held on April 5, 1983, on any proposition which is submitted to the
7 electors of a township by the governing body of such township pursuant
8 to a petition submitted under this subsection is hereby declared valid. If
9 a majority of the electors voting thereon at such election shall vote in
10 favor of such proposition, the board of county commissioners or the town-
11 ship board *or the governing body of the school district* shall provide by
12 resolution or the governing body of any city shall provide by ordinance
13 that no tax shall be levied upon gross earnings derived from money, notes
14 and other evidence of debt as follows: When such election is held prior
15 to August in any year, the resolution or ordinance shall provide that no
16 such tax shall be levied thereon in the calendar year following the year of
17 such election and in each year thereafter, and when such election is held
18 in August or thereafter of any year, the resolution or ordinance shall
19 provide that no such tax shall be levied thereon in the second calendar
20 year following the year of such election or in any year thereafter. The
21 governing body of the taxing subdivision shall thereupon be authorized
22 to offset the loss in revenue from the elimination of such tax by the
23 imposition and levying of any other taxes as may be authorized by law or
24 by increasing its ad valorem tax levy for the general fund or, in the case
25 of townships, for the general fund or any other fund for any year in which
26 revenue is not received from the tax on gross earnings derived from
27 money, notes and other evidence of debt in an amount not to exceed the
28 amount of such tax received in the year prior to elimination of such tax.
29 With respect to townships, the increase in the amount of such ad valorem
30 tax authorized herein shall be in addition to any aggregate levy amount
31 which may be fixed by any existing state law or any law which may here-
32 after be enacted. With respect to cities and counties, any such levy shall
33 be exempt from the limitation imposed under the provisions of K.S.A.
34 79-5001 to 79-5016, inclusive. Notwithstanding the provisions of this sub-
35 section to the contrary, the governing body of a county, city ~~or~~, township
36 *or school district* may either reimpose or submit to the electors of such
37 subdivision a proposition to reimpose a tax on gross earnings derived from
38 money, notes and other evidence of debt in the manner and at the rate
39 prescribed by this section.

40 ~~(f) On or after January 1, 1983,~~ (g) Upon submission of a petition
41 which is in conformance with the provisions of article 36 of chapter 25
42 of the Kansas Statutes Annotated, and amendments thereto, and is signed
43 by not less than 5% of the qualified electors of a county, city ~~or~~, township

1 *or school district* not levying a tax under the provisions of this act re-
2 questing the same, the governing body of such taxing subdivision shall be
3 required to submit to the electors of such taxing subdivision at the next
4 state general election or general election held for the election of officers
5 of such taxing subdivision a proposition to impose a tax pursuant to this
6 act in an amount not exceeding the limitations prescribed in this section.
7 Such proposition shall be in substantially the following form: “Shall
8 _____ (county) (city) (township) (*school district*) impose a tax
9 on gross earnings derived from money, notes and other evidence of debt
10 at a rate of _____ pursuant to K.S.A. 12-1,101, *et seq.* to re-
11 duce property taxes?” Any such election shall be noticed, called and con-
12 ducted in the manner prescribed by the general bond law. Any election
13 which was otherwise conducted in accordance with the provisions of this
14 subsection but which was held on April 5, 1983, on any proposition which
15 is submitted to the electors of a township by the governing body of such
16 township pursuant to a petition submitted under this subsection is hereby
17 declared valid. If a majority of the electors voting thereon at such election
18 vote in favor of the proposition the board of county commissioners or the
19 township board *or the governing body of the school district* shall provide
20 by resolution or the governing body of any city shall provide by ordinance
21 for the imposition of such taxes in the manner prescribed by this act.
22 Such taxes shall be effective for all taxable years commencing after De-
23 cember 31 of the year in which such proposition is approved by the elec-
24 tors of the taxing subdivision.

25 ~~(g)~~ (h) For purposes of submitting a petition or voting at an election
26 held pursuant to the provisions of this section, electors of a township shall
27 not include any person residing within the corporate limits of a city of
28 the third class.

29 Sec. 8. K.S.A. 12-1,106 is hereby amended to read as follows: 12-
30 1,106. Taxes levied by counties, cities ~~and~~, townships *and school districts*
31 pursuant to this act shall be due and payable at the time or times pre-
32 scribed by law for the payment of personal property taxes. The county
33 treasurer of each county in which taxes are levied pursuant to this act
34 shall include a statement of the amount of the tax so computed with the
35 personal property tax statement of each taxpayer. When the amount of
36 tax levied pursuant to this act is less than \$5, such tax shall be canceled.
37 The tax levied pursuant to this act shall be collected by the county trea-
38 surer and the sheriff in the same manner as personal property taxes are
39 collected.

40 Sec. 9. K.S.A. 2003 Supp. 19-101a is hereby amended to read as
41 follows: 19-101a. (a) The board of county commissioners may transact all
42 county business and perform all powers of local legislation and adminis-
43 tration it deems appropriate, subject only to the following limitations,

1 restrictions or prohibitions:

2 (1) Counties shall be subject to all acts of the legislature which apply
3 uniformly to all counties.

4 (2) Counties may not consolidate or alter county boundaries.

5 (3) Counties may not affect the courts located therein.

6 (4) Counties shall be subject to acts of the legislature prescribing
7 limits of indebtedness.

8 (5) In the exercise of powers of local legislation and administration
9 authorized under provisions of this section, the home rule power con-
10 ferred on cities to determine their local affairs and government shall not
11 be superseded or impaired without the consent of the governing body of
12 each city within a county which may be affected.

13 (6) Counties may not legislate on social welfare administered under
14 state law enacted pursuant to or in conformity with public law No. 271—
15 74th congress, or amendments thereof.

16 (7) Counties shall be subject to all acts of the legislature concerning
17 elections, election commissioners and officers and their duties as such
18 officers and the election of county officers.

19 (8) Counties shall be subject to the limitations and prohibitions im-
20 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,
21 prescribing limitations upon the levy of retailers' sales taxes by counties.

22 (9) Counties may not exempt from or effect changes in statutes made
23 nonuniform in application solely by reason of authorizing exceptions for
24 counties having adopted a charter for county government.

25 (10) No county may levy ad valorem taxes under the authority of this
26 section upon real property located within any redevelopment project area
27 established under the authority of K.S.A. 12-1772, and amendments
28 thereto, unless the resolution authorizing the same specifically authorized
29 a portion of the proceeds of such levy to be used to pay the principal of
30 and interest upon bonds issued by a city under the authority of K.S.A.
31 12-1774, and amendments thereto.

32 (11) Counties shall have no power under this section to exempt from
33 any statute authorizing or requiring the levy of taxes and providing sub-
34 stitute and additional provisions on the same subject, unless the resolution
35 authorizing the same specifically provides for a portion of the proceeds
36 of such levy to be used to pay a portion of the principal and interest on
37 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-
38 ments thereto.

39 (12) Counties may not exempt from or effect changes in the provi-
40 sions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

41 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101
42 through 12-1,109, *and sections 1 and 2*, and amendments thereto, coun-
43 ties may not levy and collect taxes on incomes from whatever source

1 derived.

2 (14) Counties may not exempt from or effect changes in K.S.A. 19-
3 430, and amendments thereto.

4 (15) Counties may not exempt from or effect changes in K.S.A. 19-
5 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

6 (16) (A) Counties may not exempt from or effect changes in K.S.A.
7 13-13a26, and amendments thereto.

8 (B) This provision shall expire on June 30, 2005.

9 (17) (A) Counties may not exempt from or effect changes in K.S.A.
10 71-301a, and amendments thereto.

11 (B) This provision shall expire on June 30, 2005.

12 (18) Counties may not exempt from or effect changes in K.S.A. 19-
13 15,139, 19-15,140 and 19-15,141, and amendments thereto.

14 (19) Counties may not exempt from or effect changes in the provi-
15 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-
16 1226, and amendments thereto, or the provisions of K.S.A. 12-1260
17 through 12-1270 and 12-1276, and amendments thereto.

18 (20) Counties may not exempt from or effect changes in the provi-
19 sions of K.S.A. 19-211, and amendments thereto.

20 (21) Counties may not exempt from or effect changes in the provi-
21 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

22 (22) Counties may not regulate the production or drilling of any oil
23 or gas well in any manner which would result in the duplication of reg-
24 ulation by the state corporation commission and the Kansas department
25 of health and environment pursuant to chapter 55 and chapter 65 of the
26 Kansas Statutes Annotated and any rules and regulations adopted pur-
27 suant thereto. Counties may not require any license or permit for the
28 drilling or production of oil and gas wells. Counties may not impose any
29 fee or charge for the drilling or production of any oil or gas well.

30 (23) Counties may not exempt from or effect changes in K.S.A. 79-
31 41a04, and amendments thereto.

32 (24) Counties may not exempt from or effect changes in K.S.A. 79-
33 1611, and amendments thereto.

34 (25) Counties may not exempt from or effect changes in K.S.A. 79-
35 1494, and amendments thereto.

36 (26) Counties may not exempt from or effect changes in subsection
37 (b) of K.S.A. 19-202, and amendments thereto.

38 (27) Counties may not exempt from or effect changes in subsection
39 (b) of K.S.A. 19-204, and amendments thereto.

40 (28) Counties may not levy or impose an excise, severance or any
41 other tax in the nature of an excise tax upon the physical severance and
42 production of any mineral or other material from the earth or water.

43 (29) Counties may not exempt from or effect changes in K.S.A. 79-

1 2017 or 79-2101, and amendments thereto.

2 (30) Counties may not exempt from or effect changes in K.S.A. 2-
3 3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d, 65-
4 1,178 through 65-1,199 or K.S.A. 2003 Supp. 17-5909, and amendments
5 thereto.

6 (31) Counties may not exempt from or effect changes in K.S.A. 2003
7 Supp. 80-121, and amendments thereto.

8 (32) Counties may not exempt from or effect changes in K.S.A. 19-
9 228, and amendments thereto.

10 (b) Counties shall apply the powers of local legislation granted in
11 subsection (a) by resolution of the board of county commissioners. If no
12 statutory authority exists for such local legislation other than that set forth
13 in subsection (a) and the local legislation proposed under the authority
14 of such subsection is not contrary to any act of the legislature, such local
15 legislation shall become effective upon passage of a resolution of the
16 board and publication in the official county newspaper. If the legislation
17 proposed by the board under authority of subsection (a) is contrary to an
18 act of the legislature which is applicable to the particular county but not
19 uniformly applicable to all counties, such legislation shall become effec-
20 tive by passage of a charter resolution in the manner provided in K.S.A.
21 19-101b, and amendments thereto.

22 (c) Any resolution adopted by a county which conflicts with the re-
23 strictions in subsection (a) is null and void.

24 Sec. 10. K.S.A. 65-163j is hereby amended to read as follows: 65-
25 163j. (a) The dedicated source of revenue for repayment of a loan to a
26 municipality may include service charges, connection fees, special assess-
27 ments, property taxes, grants or any other source of revenue lawfully
28 available to the municipality for such purpose. In order to ensure repay-
29 ment by municipalities of the amounts of loans provided under this act,
30 the secretary, after consultation with the governing body of any munici-
31 pality which receives a loan, may adopt charges to be levied against in-
32 dividuals and entities served by the project. Any such charges shall remain
33 in effect until the total amount of the loan, and any interest thereon, has
34 been repaid. The charges shall, insofar as is practicable, be equitably
35 assessed and may be in the form of a surcharge to the existing charges of
36 the municipality. The governing body of any municipality which receives
37 a loan under this act shall collect any charges established by the secretary
38 and shall pay the moneys collected therefrom to the secretary in accord-
39 ance with procedures established by the secretary.

40 (b) ~~Upon the failure of a municipality to meet the repayment terms~~
41 ~~and conditions of the agreement, the secretary may order the treasurer~~
42 ~~of the county in which the municipality is located to pay to the secretary~~
43 ~~such portion of the municipality's share of the local ad valorem tax re-~~

1 ~~duction fund as may be necessary to meet the terms of the agreement,~~
2 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, and~~
3 ~~amendments thereto. Upon the issuance of such an order, the municipi-~~
4 ~~ty shall not be required to make the tax levy reductions otherwise~~
5 ~~required by K.S.A. 79-2960 and 79-2961, and amendments thereto.~~

6 ~~—(e) Municipalities which are provided with loans under this act shall~~
7 ~~maintain project accounts in accordance with generally accepted govern-~~
8 ~~ment accounting standards.~~

9 ~~(d) (c)~~ Any loans received by a municipality under the provisions of
10 this act shall be construed to be bonds for the purposes of K.S.A. 10-1116
11 and 79-5028, and amendments thereto, and the amount of such loans
12 shall not be included within any limitation on the bonded indebtedness
13 of the municipality.

14 Sec. 11. K.S.A. 65-3306 is hereby amended to read as follows: 65-
15 3306. The secretary's annual request for appropriations to the water pol-
16 lution control account shall be based on an estimate of the fiscal needs
17 for the ensuing budget year, less any amounts received by the secretary
18 from any public or private grants or contributions and moneys in such
19 account shall be used solely for the purposes provided for by this act.
20 Moneys allocated to a municipality shall be encumbered as an expendi-
21 ture of this account upon the formal letting of a contract for the improve-
22 ment notwithstanding the date on which actual payment is made of the
23 state financial assistance. Any municipality may contribute moneys to the
24 state water pollution control account. If there are no uncommitted or
25 unencumbered moneys in the water pollution control account, any mun-
26 icipality applying for any water pollution control project as defined in
27 K.S.A. 65-3302, *and amendments thereto*, shall as a condition of such
28 application certify in writing to the secretary that a contribution in the
29 amount of ~~twenty-five percent (5%)~~ of the eligible cost of such project
30 will be made to the water pollution control account by such municipality
31 prior to formal letting of a construction contract. Upon receipt by the
32 secretary, each such contribution shall be retained in a subaccount of the
33 water pollution control account for use solely in the project for which the
34 municipality has made application.

35 ~~Notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, any~~
36 ~~municipality applying for such a water pollution control project may make~~
37 ~~such contribution from all or such part of its share of the local ad valorem~~
38 ~~tax reduction fund as may be necessary for such purpose, and to the extent~~
39 ~~such fund is pledged and used for such purpose the municipality shall~~
40 ~~not be required to make the tax levy reductions otherwise required by~~
41 ~~K.S.A. 79-2960 and 79-2961. Taxes levied by any municipality by reason~~
42 ~~of its failure to make such reduction in its levies shall not be subject to~~
43 ~~or be considered in computing the aggregate limitation upon the levy of~~

1 taxes by such municipality under the provisions of K.S.A. 79-5003, *and*
2 *amendments thereto.*

3 Sec. 12. K.S.A. 65-3327 is hereby amended to read as follows: 65-
4 3327. (a) The dedicated source of revenue for repayment of the loans
5 may include service charges, connection fees, special assessments, prop-
6 erty taxes, grants or any other source of revenue lawfully available to the
7 municipality for such purpose. In order to ensure repayment by munic-
8 ipalities of the amounts of loans provided under K.S.A. 65-3321 through
9 65-3329, and amendments thereto, the secretary, after consultation with
10 the governing body of any municipality which receives a loan, may adopt
11 charges to be levied against users of the project. Any such charges shall
12 remain in effect until the total amount of the loan, and any interest
13 thereon, has been repaid. The charges shall, insofar as is practicable, be
14 equitably assessed and may be in the form of a surcharge to the existing
15 charges of the municipality. The governing body of any municipality
16 which receives a loan under K.S.A. 65-3321 through 65-3329, and amend-
17 ments thereto, shall collect any charges established by the secretary and
18 shall pay the moneys collected therefrom to the secretary in accordance
19 with procedures established by the secretary.

20 ~~(b) Upon the failure of a municipality to meet the repayment terms~~
21 ~~and conditions of the agreement, the secretary may order the treasurer~~
22 ~~of the county in which the municipality is located to pay to the secretary~~
23 ~~such portion of the municipality's share of the local ad valorem tax re-~~
24 ~~duction fund as may be necessary to meet the terms of the agreement,~~
25 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and~~
26 ~~amendments thereto. Upon the issuance of such an order, the munici-~~
27 ~~pality shall not be required to make the tax levy reductions otherwise~~
28 ~~required by K.S.A. 79-2960 and 79-2961 and amendments thereto.~~

29 ~~—(e)~~ Municipalities which are provided with loans under K.S.A. 65-
30 3321 through 65-3329, and amendments thereto, shall maintain project
31 accounts in accordance with generally accepted government accounting
32 standards.

33 ~~(d)~~ (c) Municipalities which receive a grant and an allowance under
34 the federal act with respect to project costs for which a loan was provided
35 under K.S.A. 65-3321 through 65-3329, and amendments thereto, shall
36 promptly repay such loan to the extent of the allowance received under
37 the federal act.

38 ~~(e)~~ (d) Any loans received by a municipality under the provisions of
39 K.S.A. 65-3321 through 65-3329, and amendments thereto, shall be con-
40 strued to be bonds for the purposes of K.S.A. 10-1116 and 79-5028, and
41 amendments thereto, and the amount of such loans shall not be included
42 within any limitation on the bonded indebtedness of the municipality.

43 Sec. 13. K.S.A. 68-581 is hereby amended to read as follows: 68-581.

1 By resolution the board of any county may designate as a primary arterial
2 highway: (1) All or any portion of an existing or proposed new county
3 road or highway; or (2) all or any portion of an existing or a proposed new
4 street within a city in such county which is or would be an extension of a
5 county road or a connecting link between county roads. Such resolution
6 shall set out the primary arterial highway designation and its location, a
7 general description of the proposed improvement and an estimate of the
8 total cost thereof, exclusive of any grants from any other public agency.
9 Upon the adoption of such resolution, a copy thereof attested by the
10 county clerk shall, if such designation is of a city street, be transmitted to
11 the city clerk of each city wherein such primary arterial highway is located
12 or is proposed to be located. The resolution shall become effective upon
13 publication by the county in its official newspaper.

14 The board and the governing bodies of all cities in which any primary
15 arterial highway is located or is proposed to be located may enter into an
16 agreement providing for the cooperative financing of the acquisition of
17 right-of-way for and the construction, reconstruction, maintenance and
18 repair of such proposed primary arterial highway, including major bridges
19 and overpasses thereon, together with all engineering costs, under such
20 terms as the board and governing bodies shall agree upon. Such agree-
21 ment may be part of an agreement between the secretary of transporta-
22 tion, the county and the cities.

23 The board and governing body of any city wherein any portion of such
24 primary arterial highway is to be located may use any public funds avail-
25 able to such county or city for the construction, reconstruction, mainte-
26 nance or repair of such primary arterial highway, including major bridges
27 and overpasses thereon, in like manner as if it were a normal county road
28 or a city street, and the board and the governing body of each such city
29 may issue bonds as provided in K.S.A. 68-584, *and amendments thereto*.
30 ~~Whenever any such bonds are issued, either with or without a referen-~~
31 ~~dum, the board or governing body issuing the same may use the moneys~~
32 ~~received from the distribution of motor fuel tax revenues pursuant to~~
33 ~~K.S.A. 79-3425c, and any amendments thereto, to pay all or part of the~~
34 ~~principal and interest on such bonds.~~ In the event that such moneys are
35 insufficient to retire such bonds, an annual tax shall be levied upon the
36 taxable tangible property in such county or city in an amount sufficient
37 to pay the principal of and interest on said bonds.

38 Sec. 14. K.S.A. 2003 Supp. 79-3425 is hereby amended to read as
39 follows: 79-3425. All of the amounts collected under the motor-fuel tax
40 law and amendments thereto, except amounts collected pursuant to
41 K.S.A. 79-3408c, and amendments thereto, shall be remitted by the di-
42 rector to the state treasurer in accordance with the provisions of K.S.A.
43 75-4215, and amendments thereto. Upon receipt of each such remittance,

1 the state treasurer shall deposit the entire amount in the state treasury.
2 The state treasurer shall credit such amount as the director shall order in
3 the motor-vehicle fuel tax refund fund to be used for the purpose of
4 paying motor-vehicle fuel tax refunds as provided by law. The state trea-
5 surer shall credit the remainder of such amounts as follows: To the state
6 highway fund amounts specified in K.S.A. 79-34,142, and amendments
7 thereto, to a special city and county highway fund which is hereby created,
8 amounts specified in K.S.A. 79-34,142, and amendments thereto, to be
9 apportioned and distributed in the manner ~~provided in K.S.A. 79-3425e,~~
10 ~~and amendments thereto,~~ *prescribed before the effective date of this act*
11 and to the current production account and the new production account
12 of the Kansas qualified agricultural ethyl alcohol producer incentive fund,
13 which is hereby created in the state treasury, in the amount and in the
14 manner specified in K.S.A. 79-34,161, and amendments thereto, to be
15 expended in the manner provided in K.S.A. 79-34,162, and amendments
16 thereto.

17 Sec. 15. K.S.A. 2003 Supp. 79-34,104 is hereby amended to read as
18 follows: 79-34,104. All amounts collected under the liquefied petroleum
19 motor-fuel tax law, except amounts collected pursuant to K.S.A. 79-3491a,
20 and amendments thereto, shall be remitted by the director to the state
21 treasurer in accordance with the provisions of K.S.A. 75-4215, and
22 amendments thereto. Upon receipt of each such remittance the state
23 treasurer shall deposit the entire amount in the state treasury. The state
24 treasurer shall credit such amounts as follows: To the state highway fund
25 amounts specified in K.S.A. 79-34,142, and amendments thereto, and
26 amounts specified in K.S.A. 79-34,142, and amendments thereto, to a
27 special city and county highway fund to be apportioned and distributed
28 in the manner ~~provided in K.S.A. 79-3425e, and amendments thereto~~
29 *prescribed before the effective date of this act.*

30 Sec. 16. K.S.A. 2003 Supp. 79-34,126 is hereby amended to read as
31 follows: 79-34,126. (a) All amounts collected under the interstate motor
32 fuel use act shall be remitted by the director to the state treasurer in
33 accordance with the provisions of K.S.A. 75-4215, and amendments
34 thereto. Upon receipt of each such remittance, the state treasurer shall
35 deposit the entire amount in the state treasury. The state treasurer shall
36 credit such amounts as follows: To the state highway fund amounts spec-
37 ified in K.S.A. 79-34,142, and amendments thereto, and amounts speci-
38 fied in K.S.A. 79-34,142, and amendments thereto, to a special city and
39 county highway fund to be apportioned and distributed in the manner
40 ~~provided in K.S.A. 79-3425e, and amendments thereto~~ *prescribed before*
41 *the effective date of this act.*

42 (b) All amounts collected under the international fuel tax agreement
43 shall be remitted by the director to the state treasurer in accordance with

1 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
2 of each such remittance, the state treasurer shall deposit the entire
3 amount in the state treasury to the credit of the international fuel tax
4 agreement clearing fund which is hereby created. Payments due and ow-
5 ing to member jurisdictions under the international fuel tax agreement
6 and refunds for overpayment of tax shall be made from such fund. The
7 director shall reconcile such clearing fund monthly with balances remitted
8 monthly in accordance with the provisions of subsection (a). The funds
9 in the international fuel tax agreement clearing fund shall be invested in
10 the same manner as provided in K.S.A. 68-2324, and amendments
11 thereto, and all earnings shall be deposited in the state treasury and cred-
12 ited to the state highway fund.

13 Sec. 17. K.S.A. 12-140, 12-1,101, 12-1,106, 19-2694, 65-163j, 65-
14 3306, 65-3327, 68-581, 68-581a, 79-2960, 79-2961, 79-2962, 79-2965, 79-
15 2966, 79-2967, 79-3425f and 79-3425g and K.S.A. 2003 Supp. 12-187,
16 12-189, 12-192, 19-101a, 79-2959, 79-2964, 79-3425, 79-3425c, 79-3425i,
17 79-34,104, 79-34,126 and 79-34,147 are hereby repealed.

18 Sec. 18. This act shall take effect and be in force from and after its
19 publication in the statute book.

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