

## SENATE BILL No. 308

By Special Committee on Assessment and Taxation

1-14

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AN ACT concerning taxation; relating to city and county retailer's sales tax; classes of cities; amending K.S.A. 12-195b and K.S.A. 2003 Supp. 12-187, 12-188, 12-189 and 12-192 and repealing the existing sections.

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

Section 1. K.S.A. 2003 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) (1) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

(2) ~~The governing body of any class B city located in any county which does not impose a countywide retailers' sales tax pursuant to paragraph (5) of subsection (b)~~ may submit the question of imposing a retailers' sales tax at the rate of .125%, .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, *economic development initiatives, strategic planning initiatives or for public infrastructure projects including buildings*, as enumerated in the question, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in *subsection (a) of K.S.A. 12-189*, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city, county or district hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home health care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks. *The tax imposed pursuant to this paragraph may provide that it shall expire when sales tax sufficient*

1 *to pay all of the costs incurred in the financing of such facility has been*  
2 *collected by retailers as determined by the secretary of revenue, if so*  
3 *approved by the electors. Alternatively, the tax imposed pursuant to this*  
4 *paragraph may provide that it shall expire after five years from the date*  
5 *such tax is first collected, and if such tax was imposed after July 1, 2000,*  
6 *after ten years from the date such tax is first collected, if so approved by*  
7 *the electors. If any funds remain upon the payment of all costs authorized*  
8 *pursuant to this paragraph in the financing of such projects in the city,*  
9 *the state treasurer shall remit such funds to the treasurer of the city and*  
10 *upon receipt of such moneys shall be deposited to the credit of the city*  
11 *general fund.*

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

26 (2) The board of county commissioners of ~~Anderson, Atchison, Bar-~~  
27 ~~ton, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Jefferson, Lyon,~~  
28 ~~Montgomery, Neosho, Osage, Ottawa, Riley, Saline, Seward, Sumner,~~  
29 ~~Wabaunsee, Wilson and Wyandotte counties~~ *any county* may submit the  
30 question of imposing a countywide retailers' sales tax *at the rate of .125%,*  
31 *.25%, .5%, .75%, or 1%* and pledging the revenue received therefrom for  
32 the purpose of financing the construction or remodeling of a courthouse,  
33 jail, law enforcement center facility or other county administrative facility,  
34 *reservoir project, construction of highway projects identified as system*  
35 *enhancements under the provisions of paragraph (5) of subsection (b) of*  
36 *K.S.A. 68-2314, and amendments thereto, the provision of health care*  
37 *services, the costs of operation and construction of a solid waste disposal*  
38 *area or the modification of an existing landfill to comply with federal*  
39 *regulations, the costs of roadway construction and improvement, indus-*  
40 *trial and business parks and other economic development initiatives, stra-*  
41 *tegic planning initiatives or public infrastructure projects, recreational*  
42 *facilities, preservation, access and management of open space, to the elec-*  
43 *tors at an election called and held thereon. The tax imposed pursuant to*

1 this paragraph *may provide that it shall expire when sales tax sufficient*  
2 *to pay all of the costs incurred in the financing of such facility has been*  
3 *collected by retailers as determined by the secretary of revenue, if so*  
4 *approved by the electors. Alternatively, the tax imposed pursuant to this*  
5 *paragraph may provide that it shall expire after five years from the date*  
6 *such tax is first collected, if so approved by the electors. If any funds*  
7 *remain upon the payment of all costs authorized pursuant to this para-*  
8 *graph in the financing of such projects in the county, the state treasurer*  
9 *shall remit such funds to the treasurer of the county and upon receipt of*  
10 *such moneys shall be deposited to the credit of the county general fund.*  
11 *As used in this paragraph, health care services shall include but not be*  
12 *limited to the following: Local health departments, city or county hospi-*  
13 *tals, city or county nursing homes, preventive health care services includ-*  
14 *ing immunizations, prenatal care and the postponement of entry into*  
15 *nursing homes by home care services, mental health services, indigent*  
16 *health care, physician or health care worker recruitment, health educa-*  
17 *tion, emergency medical services, rural health clinics, integration of health*  
18 *care services, home health services and rural health networks. The tax*  
19 *imposed pursuant to this paragraph shall be deemed to be in addition to*  
20 *the rate limitations prescribed in K.S.A. 12-189(a), and amendments*  
21 *thereto. Nothing in this paragraph shall be construed to allow the rate of*  
22 *tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Ri-*  
23 *ley, Sumner or Wilson county pursuant to this paragraph to exceed or be*  
24 *imposed at any rate other than the rates prescribed in K.S.A. 12-189, and*  
25 *amendments thereto.*

26 ~~—(3) (A) Except as otherwise provided in this paragraph, the result of~~  
27 ~~the election held on November 8, 1988, on the question submitted by~~  
28 ~~the board of county commissioners of Jackson county for the purpose of~~  
29 ~~increasing its countywide retailers' sales tax by 1% is hereby declared~~  
30 ~~valid, and the revenue received therefrom by the county shall be ex-~~  
31 ~~pended solely for the purpose of financing the Banner Creek reservoir~~  
32 ~~project. The tax imposed pursuant to this paragraph shall take effect on~~  
33 ~~the effective date of this act and shall expire not later than five years after~~  
34 ~~such date.~~

35 ~~—(B) The result of the election held on November 8, 1994, on the~~  
36 ~~question submitted by the board of county commissioners of Ottawa~~  
37 ~~county for the purpose of increasing its countywide retailers' sales tax by~~  
38 ~~1% is hereby declared valid, and the revenue received therefrom by the~~  
39 ~~county shall be expended solely for the purpose of financing the crection,~~  
40 ~~construction and furnishing of a law enforcement center and jail facility.~~

41 ~~—(4) The board of county commissioners of Finney and Ford counties~~  
42 ~~may submit the question of imposing a countywide retailers' sales tax at~~  
43 ~~the rate of .25% and pledging the revenue received therefrom for the~~

1 purpose of financing all or any portion of the cost to be paid by Finney  
2 or Ford county for construction of highway projects identified as system  
3 enhancements under the provisions of paragraph (5) of subsection (b) of  
4 K.S.A. 68-2314, and amendments thereto, to the electors at an election  
5 called and held thereon. Such election shall be called and held in the  
6 manner provided by the general bond law. The tax imposed pursuant to  
7 this paragraph shall expire upon the payment of all costs authorized pur-  
8 suant to this paragraph in the financing of such highway projects. Nothing  
9 in this paragraph shall be construed to allow the rate of tax imposed by  
10 Finney or Ford county pursuant to this paragraph to exceed the maximum  
11 rate prescribed in K.S.A. 12-189, and amendments thereto. If any funds  
12 remain upon the payment of all costs authorized pursuant to this para-  
13 graph in the financing of such highway projects in Finney county, the  
14 state treasurer shall remit such funds to the treasurer of Finney county  
15 and upon receipt of such moneys shall be deposited to the credit of the  
16 county road and bridge fund. If any funds remain upon the payment of  
17 all costs authorized pursuant to this paragraph in the financing of such  
18 highway projects in Ford county, the state treasurer shall remit such funds  
19 to the treasurer of Ford county and upon receipt of such moneys shall  
20 be deposited to the credit of the county road and bridge fund.

21 —(5)—The board of county commissioners of any county may submit the  
22 question of imposing a retailers' sales tax at the rate of .25%, .5%, .75%  
23 or 1% and pledging the revenue received therefrom for the purpose of  
24 financing the provision of health care services, as enumerated in the ques-  
25 tion, to the electors at an election called and held thereon. Whenever any  
26 county imposes a tax pursuant to this paragraph, any tax imposed pursuant  
27 to paragraph (2) of subsection (a) by any city located in such county shall  
28 expire upon the effective date of the imposition of the countywide tax,  
29 and thereafter the state treasurer shall remit to each such city that portion  
30 of the countywide tax revenue collected by retailers within such city as  
31 certified by the director of taxation. The tax imposed pursuant to this  
32 paragraph shall be deemed to be in addition to the rate limitations pre-  
33 scribed in K.S.A. 12-189, and amendments thereto. As used in this par-  
34 agraph, health care services shall include but not be limited to the follow-  
35 ing: Local health departments, city or county hospitals, city or county  
36 nursing homes, preventive health care services including immunizations,  
37 prenatal care and the postponement of entry into nursing homes by home  
38 care services, mental health services, indigent health care, physician or  
39 health care worker recruitment, health education, emergency medical  
40 services, rural health clinics, integration of health care services, home  
41 health services and rural health networks.

42 —(6)—The board of county commissioners of Allen county may submit  
43 the question of imposing a countywide retailers' sales tax at the rate of

~~.5% and pledging the revenue received therefrom for the purpose of financing the costs of operation and construction of a solid waste disposal area or the modification of an existing landfill to comply with federal regulations to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon the payment of all costs incurred in the financing of the project undertaken. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Allen county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189 and amendments thereto.~~

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

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

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

~~—(10)—The board of county commissioners of Franklin county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purpose of financing recreational facilities. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.~~

~~—(11)—The board of county commissioners of Douglas county may submit to the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom for the purposes of preservation, access and management of open space, and for~~

1 industrial and business park related economic development.

2 ~~—(12) The board of county commissioners of Shawnee county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received therefrom to the city of Topeka for the purpose of financing the costs of rebuilding the Topeka boulevard bridge and other public infrastructure improvements associated with such project to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such project.~~

10 ~~—(13) The board of county commissioners of Jackson county may submit the question of imposing a countywide retailers' sales tax at a rate of .4% and pledging the revenue received therefrom as follows: 50% of such revenues for the purpose of financing for economic development initiatives; and 50% of such revenues for the purpose of financing public infrastructure projects to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after seven years from the date such tax is first collected.~~

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

36 (d) ~~Any city retailers' sales tax in the amount of .5% being levied by a city on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance so providing. In addition to any city retailers' sales tax being levied by a city on July 1, 1990, any such city may adopt an additional city retailers' sales tax in the amount of .25% or .5%, provided that such additional tax is adopted and approved in the manner provided for the adoption and approval of a city retailers' sales~~

1 tax. Any countywide retailers' sales tax in the amount of .5% or 1% in  
2 effect on July 1, 1990, shall continue in effect until repealed in the manner  
3 provided herein for the adoption and approval of such tax.

4 ~~—(c) A class D city shall have the same power to levy and collect a city~~  
5 ~~retailers' sales tax that a class A city is authorized to levy and collect and~~  
6 ~~in addition, the governing body of any class D city may submit the ques-~~  
7 ~~tion of imposing an additional city retailers' sales tax in the amount of~~  
8 ~~.125%, .25%, .5% or .75% and pledging the revenue received therefrom~~  
9 ~~for economic development initiatives, strategic planning initiatives or for~~  
10 ~~public infrastructure projects including buildings to the electors at an~~  
11 ~~election called and held thereon. Any additional sales tax imposed pur-~~  
12 ~~suant to this paragraph shall expire no later than five years from the date~~  
13 ~~of imposition thereof, except that any such tax imposed by any class D~~  
14 ~~city after the effective date of this act shall expire no later than 10 years~~  
15 ~~from the date of imposition thereof.~~

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

32 ~~(g) (e) The sufficiency of the number of signers of any petition filed~~  
33 ~~under this section shall be determined by the county election officer.~~  
34 ~~Every election held under this act shall be conducted by the county elec-~~  
35 ~~tion officer.~~

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

40 *(g) Any city retailers' sales tax levied by a city prior to July 1, 2004,*  
41 *pursuant to home rule authority shall continue in effect until repealed in*  
42 *the manner provided in this section for the adoption and approval of such*  
43 *tax or until repealed by the adoption of an ordinance for such repeal.*

1 Sec. 2. K.S.A. 2003 Supp. 12-188 is hereby amended to read as fol-  
2 lows: 12-188. The following classes of cities are hereby established for  
3 the purpose of imposing limitations and prohibitions upon the levying of  
4 sales and excise taxes or taxes in the nature of an excise upon sales or  
5 transfers of personal or real property or the use thereof, or the rendering  
6 or furnishing of services by cities as authorized and provided by article  
7 12, section 5, of the constitution of the state of Kansas:

8 Class A cities. All cities in the state of Kansas which have the authority  
9 to levy and collect excise taxes or taxes in the nature of an excise upon  
10 the sales or transfers of personal or real property or the use thereof, or  
11 the rendering or furnishing of services by cities.

12 Class B cities. All cities in the state of Kansas ~~which have the authority~~  
13 ~~to levy and collect excise taxes or taxes in the nature of an excise upon~~  
14 ~~the sales or transfers of personal or real property or the use thereof, or~~  
15 ~~the rendering or furnishing of services for the purpose of financing the~~  
16 ~~provision of health care services that have levied city retailers' sales taxes~~  
17 ~~pursuant to home rule authority prior to July 1, 2004.~~

18 Class C cities. All cities in the state of Kansas having a population of  
19 more than 200,000 located in a county having a population of more than  
20 350,000 which has the authority to levy and collect excise taxes or taxes  
21 in the nature of an excise upon the sales or transfers of personal or real  
22 property or the use thereof, or the rendering or furnishing of services.

23 ~~—Class D cities. All cities in the state of Kansas located in Cowley, Ellis,~~  
24 ~~Ellsworth, Finney, Harper, Johnson, Labette, Lyon, Montgomery, Osage,~~  
25 ~~Reno, Woodson or Wyandotte county or in both Riley and Pottawatomie~~  
26 ~~counties which have the authority to levy and collect excise taxes or taxes~~  
27 ~~in the nature of an excise upon the sales or transfers of personal or real~~  
28 ~~property or the use thereof, or the rendering or furnishing of services.~~

29 Sec. 3. K.S.A. 2003 Supp. 12-189 is hereby amended to read as fol-  
30 lows: 12-189. Except as otherwise provided by paragraph (2) of subsection  
31 (a) of K.S.A. 12-187, and amendments thereto, the rate of any ~~class A,~~  
32 ~~class B or class C~~ city retailers' sales tax shall be fixed in the amount of  
33 .25%, .5%, .75% or 1% which amount shall be determined by the gov-  
34 erning body of the city. ~~Except as otherwise provided by paragraph (2)~~  
35 ~~of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of~~  
36 ~~any class D city retailers' sales tax shall be fixed in the amount of .10%,~~  
37 ~~.25%, .5%, .75%, 1%, 1.125%, 1.25%, 1.5% or 1.75%.~~ The rate of any  
38 countywide retailers' sales tax shall be fixed in an amount of either .25%,  
39 .5%, .75% or 1% which amount shall be determined by the board of  
40 county commissioners, except that:

41 (a) The board of county commissioners of ~~Wabaunsee~~ *any* county,  
42 for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and  
43 amendments thereto, may fix such rate at 1.25%; the board of county



1 commissioners of Osage county, for the purposes of paragraph (2) of  
2 subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such  
3 rate at ~~1.25% or 1.5%~~; the board of county commissioners of Cherokee,  
4 Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes  
5 of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments  
6 thereto, may fix such rate at 1.5%, the board of county commissioners of  
7 Atchison county, for the purposes of paragraph (2) of subsection (b) of  
8 K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5% or  
9 1.75% and the board of county commissioners of Anderson, Barton, Jef-  
10 ferson or Ottawa county, for the purposes of paragraph (2) of subsection  
11 (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%  
12 *the rate within the limitations in subsection (a), plus the rate within the*  
13 *limitations in subsection (b)(2) of K.S.A. 12-187, and amendments thereto;*  
14 *or*

15 (b) ~~the board of county commissioners of Jackson county, for the~~  
16 ~~purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amend-~~  
17 ~~ments thereto, may fix such rate at 2%;~~

18 ~~—(c) the boards of county commissioners of Finney and Ford counties,~~  
19 ~~for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and~~  
20 ~~amendments thereto, may fix such rate at .25%;~~

21 ~~—(d) the board of county commissioners of any county for the purposes~~  
22 ~~of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments~~  
23 ~~thereto, may fix such rate at a percentage which is equal to the sum of~~  
24 ~~the rate allowed to be imposed by a board of county commissioners on~~  
25 ~~the effective date of this act plus .25%, .5%, .75% or 1%, as the case~~  
26 ~~requires;~~

27 ~~—(e) the board of county commissioners of Dickinson county, for the~~  
28 ~~purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-~~  
29 ~~ments thereto, may fix such rate at 1.5%, and the board of county com-~~  
30 ~~missioners of Miami county, for the purposes of paragraph (7) of subsec-~~  
31 ~~tion (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at~~  
32 ~~1.25%, 1.5%, 1.75% or 2%;~~

33 ~~—(f) the board of county commissioners of Sherman county, for the~~  
34 ~~purposes of paragraph (8) of subsection (b) of K.S.A. 12-187, and amend-~~  
35 ~~ments thereto, may fix such rate at 1.5%, 1.75% or 2%;~~

36 ~~—(g) the board of county commissioners of Russell county for the pur-~~  
37 ~~poses of paragraph (9) of subsection (b) of K.S.A. 12-187, and amend-~~  
38 ~~ments thereto, may fix such rate at 1.5%;~~

39 ~~—(h) the board of county commissioners of Franklin county, for the~~  
40 ~~purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and~~  
41 ~~amendments thereto, may fix such rate at 1.75%;~~

42 ~~—(i) the board of county commissioners of Douglas county, for the~~  
43 ~~purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and~~

1 ~~amendments thereto, may fix such rate at 1.25%, or~~  
2 ~~—(j)— the board of county commissioners of Jackson county, for the pur-~~  
3 ~~poses of subsection (b)(13) of K.S.A. 12-187 and amendments thereto,~~  
4 ~~may fix such rate at 1.4% any city retailers' sales tax levied by a city prior~~  
5 ~~to July 1, 2004, pursuant to home rule authority shall continue in effect~~  
6 ~~until repealed in the manner provided in this section for the adoption and~~  
7 ~~approval of such tax or until repealed by the adoption of an ordinance~~  
8 ~~providing for such repeal.~~

9 Any county or city levying a retailers' sales tax is hereby prohibited  
10 from administering or collecting such tax locally, but shall utilize the serv-  
11 ices of the state department of revenue to administer, enforce and collect  
12 such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and  
13 amendments thereto, such tax shall be identical in its application, and  
14 exemptions therefrom, to the Kansas retailers' sales tax act and all laws  
15 and administrative rules and regulations of the state department of rev-  
16 enue relating to the Kansas retailers' sales tax shall apply to such local  
17 sales tax insofar as such laws and rules and regulations may be made  
18 applicable. The state director of taxation is hereby authorized to admin-  
19 ister, enforce and collect such local sales taxes and to adopt such rules  
20 and regulations as may be necessary for the efficient and effective ad-  
21 ministration and enforcement thereof.

22 Upon receipt of a certified copy of an ordinance or resolution author-  
23 izing the levy of a local retailers' sales tax, the director of taxation shall  
24 cause such taxes to be collected within or without the boundaries of such  
25 taxing subdivision at the same time and in the same manner provided for  
26 the collection of the state retailers' sales tax. Such copy shall be submitted  
27 to the director of taxation within 30 days after adoption of any such or-  
28 dinance or resolution. All moneys collected by the director of taxation  
29 under the provisions of this section shall be credited to a county and city  
30 retailers' sales tax fund which fund is hereby established in the state treas-  
31 ury. Any refund due on any county or city retailers' sales tax collected  
32 pursuant to this act shall be paid out of the sales tax refund fund and  
33 reimbursed by the director of taxation from collections of local retailers'  
34 sales tax revenue. Except for local retailers' sales tax revenue required to  
35 be deposited in the redevelopment bond fund established under K.S.A.  
36 74-8927, and amendments thereto, all local retailers' sales tax revenue  
37 collected within any county or city pursuant to this act shall be appor-  
38 tioned and remitted at least quarterly by the state treasurer, on instruction  
39 from the director of taxation, to the treasurer of such county or city.

40 Revenue that is received from the imposition of a local retailers' sales  
41 tax which exceeds the amount of revenue required to pay the costs of a  
42 special project for which such revenue was pledged shall be credited to  
43 the city or county general fund, as the case requires.

1 The director of taxation shall provide, upon request by a city or county  
2 clerk or treasurer of any city or county levying a local retailers' sales tax,  
3 monthly reports identifying each retailer having a place of business in  
4 such city or county setting forth the tax liability and the amount of such  
5 tax remitted by each retailer during the preceding month and identifying  
6 each business location maintained by the retailer within such city or  
7 county. Such report shall be made available to the clerk or treasurer of  
8 such city or county within a reasonable time after it has been requested  
9 from the director of taxation. The director of taxation shall be allowed to  
10 assess a reasonable fee for the issuance of such report. Information re-  
11 ceived by any city or county pursuant to this section shall be confidential,  
12 and it shall be unlawful for any officer or employee of such city or county  
13 to divulge any such information in any manner. Any violation of this par-  
14 agraph by a city or county officer or employee is a class B misdemeanor,  
15 and such officer or employee shall be dismissed from office.

16 Sec. 4. K.S.A. 2003 Supp. 12-192 is hereby amended to read as fol-  
17 lows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or  
18 (h), all revenue received by the director of taxation from a countywide  
19 retailers' sales tax shall be apportioned among the county and each city  
20 located in such county in the following manner: (1) One-half of all reve-  
21 nue received by the director of taxation shall be apportioned among the  
22 county and each city located in such county in the proportion that the  
23 total tangible property tax levies made in such county in the preceding  
24 year for all funds of each such governmental unit bear to the total of all  
25 such levies made in the preceding year, and (2)  $\frac{1}{2}$  of all revenue received  
26 by the director of taxation from such countywide retailers' sales tax shall  
27 be apportioned among the county and each city located in such county,  
28 first to the county that portion of the revenue equal to the proportion  
29 that the population of the county residing in the unincorporated area of  
30 the county bears to the total population of the county, and second to the  
31 cities in the proportion that the population of each city bears to the total  
32 population of the county, except that no persons residing within the Fort  
33 Riley military reservation shall be included in the determination of the  
34 population of any city located within Riley county. All revenue appor-  
35 tioned to a county shall be paid to its county treasurer and shall be cred-  
36 ited to the general fund of the county.

37 (b) ~~(1)~~ As an alternative and in lieu of the apportionment formula  
38 provided in subsection (a), *the board of county commissioners of any*  
39 *county may by resolution direct that* all revenue received by the director  
40 of taxation from a countywide retailers' sales tax imposed within ~~Johnson~~  
41 *the county at the rate of .75% or 1% after the effective date of this act*  
42 *may be apportioned among the county and each city located in such*  
43 *county in the following manner: (A) The revenue received from the first*

1 .5% rate of tax shall be apportioned in the manner prescribed by subsection  
2 (a) and (B) the revenue received from the rate of tax exceeding .5%  
3 shall be apportioned as follows: (i) One-fourth shall be apportioned  
4 among the county and each city located in such county in the proportion  
5 that the total tangible property tax levies made in such county in the  
6 preceding year for all funds of each such governmental unit bear to the  
7 total of all such levies made in the preceding year and (ii) one-fourth shall  
8 be apportioned among the county and each city located in such county,  
9 first to the county that portion of the revenue equal to the proportion  
10 that the population of the county residing in the unincorporated area of  
11 the county bears to the total population of the county, and second to the  
12 cities in the proportion that the population of each city bears to the total  
13 population of the county and (iii) one-half shall be retained by the county  
14 for its sole use and benefit.

15 ~~(2) In lieu of the apportionment formula provided in subsection (a),~~  
16 ~~all money received by the director of taxation from a countywide sales tax~~  
17 ~~imposed within Montgomery county pursuant to the election held on~~  
18 ~~November 8, 1994, shall be remitted to and shall be retained by the~~  
19 ~~county and expended only for the purpose for which the revenue received~~  
20 ~~from the tax was pledged. All revenue apportioned and paid from the~~  
21 ~~imposition of such tax to the treasurer of any city prior to the effective~~  
22 ~~date of this act shall be remitted to the county treasurer and expended~~  
23 ~~only for the purpose for which the revenue received from the tax was~~  
24 ~~pledged.~~

25 (c) (1) Except as otherwise provided by paragraph (2) of this subsection,  
26 for purposes of subsections (a) and (b), the term “total tangible  
27 property tax levies” means the aggregate dollar amount of tax revenue  
28 derived from ad valorem tax levies applicable to all tangible property  
29 located within each such city or county. The ad valorem property tax levy  
30 of any county or city district entity or subdivision shall be included within  
31 this term if the levy of any such district entity or subdivision is applicable  
32 to all tangible property located within each such city or county.

33 (2) For the purposes of subsections (a) and (b), any ad valorem prop-  
34 erty tax levied on property located in a city in ~~Johnson~~ any county for the  
35 purpose of providing fire protection service in such city shall be included  
36 within the term “total tangible property tax levies” for such city regardless  
37 of its applicability to all tangible property located within each such city.  
38 If the tax is levied by a district which extends across city boundaries, for  
39 purposes of this computation, the amount of such levy shall be appor-  
40 tioned among each city in which such district extends in the proportion  
41 that such tax levied within each city bears to the total tax levied by the  
42 district.

43 (d) ~~(4)~~ All revenue received from a countywide retailers’ sales tax

1 imposed pursuant to ~~paragraphs (2), (6), (7), (8), (9) or (12)~~ *paragraph*  
2 (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, shall be  
3 remitted to and shall be retained by the county and expended only for  
4 the purpose for which the revenue received from the tax was pledged.

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

11 (e) All revenue apportioned to the several cities of the county shall  
12 be paid to the respective treasurers thereof and deposited in the general  
13 fund of the city. Whenever the territory of any city is located in two or  
14 more counties and any one or more of such counties do not levy a coun-  
15 tywide retailers' sales tax, or whenever such counties do not levy coun-  
16 tywide retailers' sales taxes at a uniform rate, the revenue received by  
17 such city from the proceeds of the countywide retailers' sales tax, as an  
18 alternative to depositing the same in the general fund, may be used for  
19 the purpose of reducing the tax levies of such city upon the taxable tan-  
20 gible property located within the county levying such countywide retail-  
21 ers' sales tax.

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

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

29 (h) The provisions of subsections (a) and (b) for the apportionment  
30 of countywide retailers' sales tax shall not apply to any revenues received  
31 pursuant to a county or countywide retailers' sales tax levied or collected  
32 under K.S.A. 74-8929, and amendments thereto. All such revenue col-  
33 lected under K.S.A. 74-8929, and amendments thereto, shall be deposited  
34 into the redevelopment bond fund established by K.S.A. 74-8927, and  
35 amendments thereto, for the period of time set forth in K.S.A. 74-8927,  
36 and amendments thereto.

37 Sec. 5. K.S.A. 12-195b is hereby amended to read as follows: 12-  
38 195b. The governing body of any city or county by the appropriate or-  
39 dinance or resolution, may authorize the issuance of general obligation  
40 bonds to provide for the payment of all or any portion of the cost of any  
41 public facilities or improvements for which such city or county is other-  
42 wise authorized pursuant to the constitution or laws of this state to issue  
43 general obligation bonds. The governing body may pledge revenues re-

1 ceived from countywide or city retailers' sales taxes imposed pursuant to  
2 K.S.A. 12-187 *et seq.*, and amendments thereto, for the payment of such  
3 bonds. The pledge of revenues received from countywide or city retailers'  
4 sales taxes for payment of such bonds shall constitute an irrevocable  
5 pledge of the revenues and shall be made a lien on the revenues for the  
6 benefit of bondholders. Any bonds issued under this section shall be sub-  
7 ject to the following requirements:

8 (a) Before the governing body of any city or county shall issue any  
9 general obligation bonds as authorized herein, the governing body shall  
10 cause to be prepared a comprehensive feasibility study showing that rev-  
11 enues received from a countywide or city retailers' sales tax would be  
12 sufficient to retire such bonds.

13 (b) Such bonds shall constitute a general obligation of the city or  
14 county payable from the pledged revenue received from countywide or  
15 city retailers' sales taxes and if not so paid such bonds shall be payable  
16 from ad valorem taxes which for the purpose of paying such bonds may  
17 be levied without limit as to rate or amount by the city or county, and  
18 shall be printed as provided in K.S.A. 10-112, and amendments thereto.

19 (c) Any bonds issued under the provisions of this section and the  
20 interest thereon, shall be exempt from all taxes levied by the state of  
21 Kansas or any political or taxing subdivision thereof, except inheritance  
22 taxes.

23 (d) All bonds which are to be financed in accordance with the pro-  
24 visions of this section shall *not* be subject to any statutory limitation of  
25 bonded indebtedness imposed on a city or county ~~unless:~~

26 ~~—(1) The law authorizing the issuance of such bonds specifically ex-~~  
27 ~~cludes such bonds from any statutory limitation of bonded indebtedness;~~

28 ~~—(2) the bonds are excluded from the computation of bonded indebt-~~  
29 ~~edness pursuant to K.S.A. 10-307 or 10-309, and amendments thereto;~~

30 ~~or~~

31 ~~—(3) the bonds are issued by a class C city or Douglas county.~~

32 (e) In the event the governing body of a city or county proposes to  
33 issue such bonds, and the question of issuing bonds as authorized herein  
34 has not previously been submitted to and approved by the voters of the  
35 city or county such proposition shall be published once each week for two  
36 consecutive weeks in its official newspaper. If within 30 days after the  
37 last publication of the proposition, a petition is filed with the county elec-  
38 tion officer signed by not less than 5% of the electors of the city or county  
39 who voted in the last preceding general election of the city or county,  
40 then no such bonds shall be issued unless the proposition is submitted to  
41 and approved by a majority of the voters of the city or county voting at  
42 an election held thereon. Any such elections shall be called and held in  
43 accordance with the provisions of K.S.A. 10-120, and amendments

1 thereto, or in accordance with the provisions of the mail ballot election  
2 act.

3 Sec. 6. K.S.A. 12-195b and K.S.A. 2003 Supp. 12-187, 12-188, 12-  
4 189 and 12-192 are hereby repealed.

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

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