

SENATE BILL No. 311

By Committee on Federal and State Affairs

2-12

AN ACT relating to city retailers' sales tax rates; amending K.S.A. 2000 Supp. 12-187 and 12-189 and repealing the existing sections.

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

Section 1. K.S.A. 2000 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 .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. *The tax imposed pursuant to this paragraph and the tax imposed pursuant to paragraph 5 of subsection (b) by any county within which such city is located shall not exceed 1%.* The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city, county or district hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home health care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

(b) (1) The board of county commissioners of any county may submit the question of imposing a countywide retailers' sales tax to the electors

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

13 (2) The board of county commissioners of Atchison, Barton, Butler,
14 Cowley, Cherokee, Crawford, Ford, Jefferson, Lyon, Montgomery, Ne-
15 osho, Osage, Ottawa, Riley, Saline, Seward, Wabaunsee, Wilson and Wy-
16 andotte counties may submit the question of imposing a countywide re-
17 tailers' sales tax and pledging the revenue received therefrom for the
18 purpose of financing the construction or remodeling of a courthouse, jail,
19 law enforcement center facility or other county administrative facility, to
20 the electors at an election called and held thereon. The tax imposed pur-
21 suant to this paragraph shall expire when sales tax sufficient to pay all of
22 the costs incurred in the financing of such facility has been collected by
23 retailers as determined by the secretary of revenue. Nothing in this par-
24 agraph shall be construed to allow the rate of tax imposed by Butler,
25 Cowley, Lyon, Montgomery, Neosho, Riley or Wilson county pursuant to
26 this paragraph to exceed or be imposed at any rate other than the rates
27 prescribed in K.S.A. 12-189, and amendments thereto.

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

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

43 (4) The board of county commissioners of Finney and Ford counties

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

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

1 tion, emergency medical services, rural health clinics, integration of
2 health care services, home health services and rural health networks.

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

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

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

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

38 (10) The board of county commissioners of Franklin county may sub-
39 mit the question of imposing a countywide retailers' sales tax at the rate
40 of .25% and pledging the revenue received therefrom for the purpose of
41 financing recreational facilities. The tax imposed pursuant to this para-
42 graph shall expire upon payment of all costs authorized in financing such
43 facilities.

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

19 (d) Any city retailers' sales tax in the amount of .5% being levied by
20 a city on July 1, 1990, shall continue in effect until repealed in the manner
21 provided herein for the adoption and approval of such tax or until re-
22 pealed by the adoption of an ordinance so providing. In addition to any
23 city retailers' sales tax being levied by a city on July 1, 1990, any such city
24 may adopt an additional city retailers' sales tax in the amount of .25% or
25 .5%, provided that such additional tax is adopted and approved in the
26 manner provided for the adoption and approval of a city retailers' sales
27 tax. Any countywide retailers' sales tax in the amount of .5% or 1% in
28 effect on July 1, 1990, shall continue in effect until repealed in the manner
29 provided herein for the adoption and approval of such tax.

30 (e) A class D city shall have the same power to levy and collect a city
31 retailers' sales tax that a class A city is authorized to levy and collect and
32 in addition, the governing body of any class D city may submit the ques-
33 tion of imposing an additional city retailers' sales tax in the amount of
34 .125%, .25%, .5% ~~or~~, .75%, 1% *or* 1.25% and pledging the revenue re-
35 ceived therefrom for economic development initiatives, strategic planning
36 initiatives ~~or~~, for public infrastructure projects including buildings *or for*
37 *providing financial assistance for the operation of a unified school district*
38 to the electors at an election called and held thereon. Any additional sales
39 tax imposed pursuant to this paragraph shall expire no later than five years
40 from the date of imposition thereof, except that any such tax imposed by
41 any class D city after the effective date of this act shall expire no later
42 than ~~10~~ 20 years from the date of imposition thereof.

43 (f) Any city or county proposing to adopt a retailers' sales tax shall

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

16 (g) The sufficiency of the number of signers of any petition filed
17 under this section shall be determined by the county election officer.
18 Every election held under this act shall be conducted by the county elec-
19 tion officer.

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

24 Sec. 2. K.S.A. 2000 Supp. 12-189 is hereby amended to read as fol-
25 lows: 12-189. Except as otherwise provided by paragraph (2) of subsection
26 (a) of K.S.A. 12-187, and amendments thereto, the rate of any class A,
27 class B or class C city retailers' sales tax shall be fixed in the amount of
28 .25%, .5%, .75% or 1% which amount shall be determined by the gov-
29 erning body of the city. Except as otherwise provided by paragraph (2)
30 of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate of
31 any class D city retailers' sales tax shall be fixed in the amount of .25%,
32 .5%, .75%, 1%, 1.125%, 1.25%, 1.5% ~~or~~, 1.75%, 2% or 2.25%. The rate
33 of any countywide retailers' sales tax shall be fixed in an amount of either
34 .25%, .5%, .75% or 1% which amount shall be determined by the board
35 of county commissioners, except that:

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

1 such rate at 1.5%, the board of county commissioners of Atchison county,
2 for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and
3 amendments thereto, may fix such rate at 1.5% or 1.75% and the board
4 of county commissioners of Barton, Jefferson or Ottawa county, for the
5 purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-
6 ments thereto, may fix such rate at 2%;

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

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

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

19 (e) the board of county commissioners of Dickinson county, for the
20 purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-
21 ments thereto, may fix such rate at 1.5%, and the board of county com-
22 missioners of Miami county, for the purposes of paragraph (7) of subsec-
23 tion (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at
24 1.25%, 1.5%, 1.75% or 2%;

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

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

31 (h) the board of county commissioners of Franklin county, for the
32 purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and
33 amendments thereto, may fix such rate at 1.75%.

34 Any county or city levying a retailers' sales tax is hereby prohibited
35 from administering or collecting such tax locally, but shall utilize the serv-
36 ices of the state department of revenue to administer, enforce and collect
37 such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and
38 amendments thereto, such tax shall be identical in its application, and
39 exemptions therefrom, to the Kansas retailers' sales tax act and all laws
40 and administrative rules and regulations of the state department of rev-
41 enue relating to the Kansas retailers' sales tax shall apply to such local
42 sales tax insofar as such laws and rules and regulations may be made
43 applicable. The state director of taxation is hereby authorized to admin-

1 ister, enforce and collect such local sales taxes and to adopt such rules
2 and regulations as may be necessary for the efficient and effective ad-
3 ministration and enforcement thereof.

4 Upon receipt of a certified copy of an ordinance or resolution author-
5 izing the levy of a local retailers' sales tax, the state director of taxation
6 shall cause such taxes to be collected within or without the boundaries of
7 such taxing subdivision at the same time and in the same manner provided
8 for the collection of the state retailers' sales tax. All moneys collected by
9 the director of taxation under the provisions of this section shall be cred-
10 ited to a county and city retailers' sales tax fund which fund is hereby
11 established in the state treasury. Any refund due on any county or city
12 retailers' sales tax collected pursuant to this act shall be paid out of the
13 sales tax refund fund and reimbursed by the director of taxation from
14 collections of local retailers' sales tax revenue. Except for local retailers'
15 sales tax revenue required to be deposited in the redevelopment bond
16 fund established under K.S.A. 2000 Supp. 74-8927, and amendments
17 thereto, all local retailers' sales tax revenue collected within any county
18 or city pursuant to this act shall be apportioned and remitted at least
19 quarterly by the state treasurer, on instruction from the director of tax-
20 ation, to the treasurer of such county or city.

21 The director of taxation shall provide, upon request by a city or county
22 clerk or treasurer of any city or county levying a local retailers' sales tax,
23 monthly reports identifying each retailer having a place of business in
24 such city or county setting forth the tax liability and the amount of such
25 tax remitted by each retailer during the preceding month and identifying
26 each business location maintained by the retailer within such city or
27 county. Such report shall be made available to the clerk or treasurer of
28 such city or county within a reasonable time after it has been requested
29 from the director of taxation. The director of taxation shall be allowed to
30 assess a reasonable fee for the issuance of such report. Information re-
31 ceived by any city or county pursuant to this section shall be confidential,
32 and it shall be unlawful for any officer or employee of such city or county
33 to divulge any such information in any manner. Any violation of this par-
34 agraph by a city or county officer or employee is a class B misdemeanor,
35 and such officer or employee shall be dismissed from office.

36 Sec. 3. K.S.A. 2000 Supp. 12-187 and 12-189 are hereby repealed.

37 Sec. 4. This act shall take effect and be in force from and after its
38 publication in the statute book.

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