

**Substitute for SENATE BILL No. 515**

By Committee on Ways and Means

3-23

10 AN ACT relating to the comprehensive transportation program; con-  
11 cerning the financing thereof; amending K.S.A. 2003 Supp. 79-3603,  
12 79-3620, 79-3703 and 79-3710 and repealing the existing sections; also  
13 repealing K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-  
14 3603c, 79-3620c and 79-3710a.

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 New Section 1. (a) For the purpose of financing a portion of the  
18 comprehensive transportation program, K.S.A. 68-2314a, *et seq.*, and  
19 amendments thereto, the Kansas development finance authority is hereby  
20 authorized to issue one or more series of revenue bonds pursuant to the  
21 Kansas development finance authority act, K.S.A. 74-8901 *et seq.*, and  
22 amendments thereto, in an amount necessary to provide a deposit or  
23 deposits in a total amount not to exceed \$150,000,000 to the state highway  
24 fund plus amounts necessary to pay the costs of issuance of the bonds,  
25 including any credit enhancement, and provide any required reserves for  
26 the bonds. The principal amount, interest rates and final maturity of such  
27 revenue bonds and any bonds issued to refund such bonds or parameters  
28 for such principal amount, interest rates and final maturity shall be ap-  
29 proved by the secretary of transportation and by a resolution of the state  
30 finance council. The bonds, and interest thereon, issued pursuant to this  
31 section shall be payable from moneys appropriated by the state for such  
32 purpose. The bonds and interest thereon, issued pursuant to this section  
33 shall be obligations only of the authority and in no event shall such bonds  
34 constitute an indebtedness or obligation of the Kansas department of  
35 transportation or an indebtedness or obligation for which the faith and  
36 credit or any assets of the ~~system~~ **[Kansas department of transporta-**  
37 **tion]** are pledged.

38 (b) (1) The authority may pledge the contract or contracts authorized  
39 in subsection (c), or any part thereof, for the payment or redemption of  
40 the bonds, and covenant as to the use and disposition of money available  
41 to the authority for payments of the bonds. The authority is authorized  
42 to enter into any agreements necessary or desirable to effectuate the  
43 purposes of this section.

1 (2) The proceeds from the sale of the bonds, other than refunding  
2 bonds, issued pursuant to this section, after payment of any costs related  
3 to the issuance of such bonds, shall be paid by the authority to the Kansas  
4 department of transportation to be applied to the payment, in full or in  
5 part, of the construction projects authorized by the comprehensive trans-  
6 portation program.

7 (3) The state hereby pledges and covenants with the holders of any  
8 bonds issued pursuant to the provisions of this section, that it will not  
9 limit or alter the rights or powers vested in the authority by this section,  
10 nor limit or alter the rights or powers of the authority, the department of  
11 administration or the Kansas department of transportation, in any manner  
12 which would jeopardize the interest of the holders or any trustee of such  
13 holders or inhibit or prevent performance or fulfillment by the authority,  
14 the department of administration or the Kansas department of transpor-  
15 tation with respect to the terms of any agreement made with the holders  
16 of the bonds or agreements made pursuant to this section, except that  
17 the failure of the legislature to appropriate moneys for any purpose shall  
18 not be deemed a violation of this pledge and covenant. The department  
19 of administration is hereby specifically authorized to include this pledge  
20 and covenant in any agreement with the authority. The authority is hereby  
21 specifically authorized to include this pledge and covenant in any bond  
22 resolution, trust indenture or agreement for the benefit of holders of the  
23 bonds.

24 (4) Revenue bonds may be issued pursuant to this section without  
25 obtaining the consent of any department, division, commission, board or  
26 agency of the state, other than the approvals of the state finance council  
27 required by this section, and without any other proceedings or the oc-  
28 currence of any other conditions or other things other than those pro-  
29 ceedings, conditions or things which are specifically required by the Kan-  
30 sas development finance authority act.

31 (c) The department of administration and the authority are author-  
32 ized to enter into one or more contracts to implement the payment ar-  
33 rangement that is provided for in this section. The contract or contracts  
34 shall provide for payment of the amounts required to be paid pursuant  
35 to this section and shall set forth the procedure for the transfer of moneys  
36 for the purpose of paying such moneys. The contract or contracts shall  
37 contain such terms and conditions including principal amount, interest  
38 rates and final maturity as shall be approved by resolution of the state  
39 finance council and shall include, but not be limited to, terms and con-  
40 ditions necessary or desirable to provide for repayment of and to secure  
41 any bonds of the authority issued pursuant to this section.

42 (d) The approvals by the state finance council required by subsection  
43 (a) and (c) are hereby characterized as matters of legislative delegation

1 and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-  
2 3711c, and amendments thereto. Such approvals may be given by the  
3 state finance council when the legislature is in session.

4 (e) No bonds shall be issued pursuant to this section prior to the  
5 review of and recommendation to the state finance council of such issu-  
6 ance by the standing committees on transportation of the house of rep-  
7 resentatives and the senate.

8 Sec. 2. K.S.A. 2003 Supp. 79-3603 is hereby amended to read as  
9 follows: 79-3603. For the privilege of engaging in the business of selling  
10 tangible personal property at retail in this state or rendering or furnishing  
11 any of the services taxable under this act, there is hereby levied and there  
12 shall be collected and paid a tax at the rate of 5.3% ~~on and after July 1,~~  
13 ~~2002, and before July 1, 2004, 5.2% on and after July 1, 2004, and before~~  
14 ~~July 1, 2005, and 5% on and after July 1, 2005, and.~~ Within a redev-  
15 opment district established pursuant to K.S.A. 74-8921, and amendments  
16 thereto, there is hereby levied and there shall be collected and paid an  
17 additional tax at the rate of 2% until the earlier of the date the bonds  
18 issued to finance or refinance the redevelopment project have been paid  
19 in full or the final scheduled maturity of the first series of bonds issued  
20 to finance any part of the project upon:

21 (a) The gross receipts received from the sale of tangible personal  
22 property at retail within this state;

23 (b) (1) the gross receipts from intrastate telephone or telegraph serv-  
24 ices; (2) the gross receipts received from the sale of interstate telephone  
25 or telegraph services, which (A) originate within this state and terminate  
26 outside the state and are billed to a customer's telephone number or  
27 account in this state; or (B) originate outside this state and terminate  
28 within this state and are billed to a customer's telephone number or ac-  
29 count in this state except that the sale of interstate telephone or telegraph  
30 service does not include: (A) Any interstate incoming or outgoing wide  
31 area telephone service or wide area transmission type service which en-  
32 titles the subscriber to make or receive an unlimited number of com-  
33 munications to or from persons having telephone service in a specified  
34 area which is outside the state in which the station provided this service  
35 is located; (B) any interstate private communications service to the per-  
36 sons contracting for the receipt of that service that entitles the purchaser  
37 to exclusive or priority use of a communications channel or group of  
38 channels between exchanges; (C) any value-added nonvoice service in  
39 which computer processing applications are used to act on the form, con-  
40 tent, code or protocol of the information to be transmitted; (D) any tel-  
41 ecommunication service to a provider of telecommunication services  
42 which will be used to render telecommunications services, including car-  
43 rier access services; or (E) any service or transaction defined in this sec-

1 tion among entities classified as members of an affiliated group as pro-  
2 vided by section 1504 of the federal internal revenue code of 1986, as in  
3 effect on January 1, 2001; and (3) the gross receipts from the provision  
4 of services taxable under this subsection which are billed on a combined  
5 basis with nontaxable services, shall be accounted for and the tax remitted  
6 as follows: The taxable portion of the selling price of those combined  
7 services shall include only those charges for taxable services if the selling  
8 price for the taxable services can be readily distinguishable in the retailer's  
9 books and records from the selling price for the nontaxable services. Oth-  
10 erwise, the gross receipts from the sale of both taxable and nontaxable  
11 services billed on a combined basis shall be deemed attributable to the  
12 taxable services included therein. Within 90 days of billing taxable services  
13 on a combined basis with nontaxable services, the retailer shall enter into  
14 a written agreement with the secretary identifying the methodology to be  
15 used in determining the taxable portion of the selling price of those com-  
16 bined services. The burden of proving that any receipt or charge is not  
17 taxable shall be upon the retailer. Upon request from the customer, the  
18 retailer shall disclose to the customer the selling price for the taxable  
19 services included in the selling price for the taxable and nontaxable serv-  
20 ices billed on a combined basis;

21 (c) the gross receipts from the sale or furnishing of gas, water, elec-  
22 tricity and heat, which sale is not otherwise exempt from taxation under  
23 the provisions of this act, and whether furnished by municipally or pri-  
24 vately owned utilities, except that, on and after January 1, 2006, for sales  
25 of gas, electricity and heat delivered through mains, lines or pipes to  
26 residential premises for noncommercial use by the occupant of such  
27 premises, and for agricultural use and also, for such use, all sales of pro-  
28 pane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
29 gas, coal, wood and other fuel sources for the production of heat or light-  
30 ing for noncommercial use of an occupant of residential premises, the  
31 state rate shall be 0%, but such tax shall not be levied and collected upon  
32 the gross receipts from: (1) The sale of a rural water district benefit unit;  
33 (2) a water system impact fee, system enhancement fee or similar fee  
34 collected by a water supplier as a condition for establishing service; or (3)  
35 connection or reconnection fees collected by a water supplier;

36 (d) the gross receipts from the sale of meals or drinks furnished at  
37 any private club, drinking establishment, catered event, restaurant, eating  
38 house, dining car, hotel, drugstore or other place where meals or drinks  
39 are regularly sold to the public;

40 (e) the gross receipts from the sale of admissions to any place pro-  
41 viding amusement, entertainment or recreation services including admis-  
42 sions to state, county, district and local fairs, but such tax shall not be  
43 levied and collected upon the gross receipts received from sales of ad-

- 1 missions to any cultural and historical event which occurs triennially;
- 2 (f) the gross receipts from the operation of any coin-operated device  
3 dispensing or providing tangible personal property, amusement or other  
4 services except laundry services, whether automatic or manually operated;
- 5 (g) the gross receipts from the service of renting of rooms by hotels,  
6 as defined by K.S.A. 36-501 and amendments thereto, or by accommo-  
7 dation brokers, as defined by K.S.A. 12-1692, and amendments thereto  
8 but such tax shall not be levied and collected upon the gross receipts  
9 received from sales of such service to the federal government and any  
10 agency, officer or employee thereof in association with the performance  
11 of official government duties;
- 12 (h) the gross receipts from the service of renting or leasing of tangible  
13 personal property except such tax shall not apply to the renting or leasing  
14 of machinery, equipment or other personal property owned by a city and  
15 purchased from the proceeds of industrial revenue bonds issued prior to  
16 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
17 12-1749, and amendments thereto, and any city or lessee renting or leas-  
18 ing such machinery, equipment or other personal property purchased  
19 with the proceeds of such bonds who shall have paid a tax under the  
20 provisions of this section upon sales made prior to July 1, 1973, shall be  
21 entitled to a refund from the sales tax refund fund of all taxes paid  
22 thereon;
- 23 (i) the gross receipts from the rendering of dry cleaning, pressing,  
24 dyeing and laundry services except laundry services rendered through a  
25 coin-operated device whether automatic or manually operated;
- 26 (j) the gross receipts from the rendering of the services of washing  
27 and washing and waxing of vehicles;
- 28 (k) the gross receipts from cable, community antennae and other sub-  
29 scriber radio and television services;
- 30 (l) (1) except as otherwise provided by paragraph (2), the gross re-  
31 ceipts received from the sales of tangible personal property to all con-  
32 tractors, subcontractors or repairmen for use by them in erecting struc-  
33 tures, or building on, or otherwise improving, altering, or repairing real  
34 or personal property.
- 35 (2) Any such contractor, subcontractor or repairman who maintains  
36 an inventory of such property both for sale at retail and for use by them  
37 for the purposes described by paragraph (1) shall be deemed a retailer  
38 with respect to purchases for and sales from such inventory, except that  
39 the gross receipts received from any such sale, other than a sale at retail,  
40 shall be equal to the total purchase price paid for such property and the  
41 tax imposed thereon shall be paid by the deemed retailer;
- 42 (m) the gross receipts received from fees and charges by public and  
43 private clubs, drinking establishments, organizations and businesses for

1 participation in sports, games and other recreational activities, but such  
2 tax shall not be levied and collected upon the gross receipts received from:  
3 (1) Fees and charges by any political subdivision, by any organization  
4 exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-  
5 201, and amendments thereto, or by any youth recreation organization  
6 exclusively providing services to persons 18 years of age or younger which  
7 is exempt from federal income taxation pursuant to section 501(c)(3) of  
8 the federal internal revenue code of 1986, for participation in sports,  
9 games and other recreational activities; and (2) entry fees and charges for  
10 participation in a special event or tournament sanctioned by a national  
11 sporting association to which spectators are charged an admission which  
12 is taxable pursuant to subsection (e);

13 (n) the gross receipts received from dues charged by public and pri-  
14 vate clubs, drinking establishments, organizations and businesses, pay-  
15 ment of which entitles a member to the use of facilities for recreation or  
16 entertainment, but such tax shall not be levied and collected upon the  
17 gross receipts received from: (1) Dues charged by any organization ex-  
18 empt from property taxation pursuant to paragraphs *Eighth* and *Ninth* of  
19 K.S.A. 79-201, and amendments thereto; and (2) sales of memberships  
20 in a nonprofit organization which is exempt from federal income taxation  
21 pursuant to section 501 (c)(3) of the federal internal revenue code of  
22 1986, and whose purpose is to support the operation of a nonprofit zoo;

23 (o) the gross receipts received from the isolated or occasional sale of  
24 motor vehicles or trailers but not including: (1) The transfer of motor  
25 vehicles or trailers by a person to a corporation or limited liability com-  
26 pany solely in exchange for stock securities or membership interest in  
27 such corporation or limited liability company; or (2) the transfer of motor  
28 vehicles or trailers by one corporation or limited liability company to  
29 another when all of the assets of such corporation or limited liability  
30 company are transferred to such other corporation or limited liability  
31 company; or (3) the sale of motor vehicles or trailers which are subject  
32 to taxation pursuant to the provisions of K.S.A. 79-5101 *et seq.*, and  
33 amendments thereto, by an immediate family member to another im-  
34 mediate family member. For the purposes of clause (3), immediate family  
35 member means lineal ascendants or descendants, and their spouses. In  
36 determining the base for computing the tax on such isolated or occasional  
37 sale, the fair market value of any motor vehicle or trailer traded in by the  
38 purchaser to the seller may be deducted from the selling price;

39 (p) the gross receipts received for the service of installing or applying  
40 tangible personal property which when installed or applied is not being  
41 held for sale in the regular course of business, and whether or not such  
42 tangible personal property when installed or applied remains tangible  
43 personal property or becomes a part of real estate, except that no tax shall

1 be imposed upon the service of installing or applying tangible personal  
2 property in connection with the original construction of a building or  
3 facility, the original construction, reconstruction, restoration, remodeling,  
4 renovation, repair or replacement of a residence or the construction, re-  
5 construction, restoration, replacement or repair of a bridge or highway.

6 For the purposes of this subsection:

7 (1) “Original construction” shall mean the first or initial construction  
8 of a new building or facility. The term “original construction” shall include  
9 the addition of an entire room or floor to any existing building or facility,  
10 the completion of any unfinished portion of any existing building or fa-  
11 cility and the restoration, reconstruction or replacement of a building or  
12 facility damaged or destroyed by fire, flood, tornado, lightning, explosion  
13 or earthquake, but such term, except with regard to a residence, shall not  
14 include replacement, remodeling, restoration, renovation or reconstruc-  
15 tion under any other circumstances;

16 (2) “building” shall mean only those enclosures within which individ-  
17 uals customarily are employed, or which are customarily used to house  
18 machinery, equipment or other property, and including the land improve-  
19 ments immediately surrounding such building;

20 (3) “facility” shall mean a mill, plant, refinery, oil or gas well, water  
21 well, feedlot or any conveyance, transmission or distribution line of any  
22 cooperative, nonprofit, membership corporation organized under or sub-  
23 ject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto,  
24 or of any municipal or quasi-municipal corporation, including the land  
25 improvements immediately surrounding such facility; and

26 (4) “residence” shall mean only those enclosures within which indi-  
27 viduals customarily live;

28 (q) the gross receipts received for the service of repairing, servicing,  
29 altering or maintaining tangible personal property which when such serv-  
30 ices are rendered is not being held for sale in the regular course of busi-  
31 ness, and whether or not any tangible personal property is transferred in  
32 connection therewith. The tax imposed by this subsection shall be appli-  
33 cable to the services of repairing, servicing, altering or maintaining an  
34 item of tangible personal property which has been and is fastened to,  
35 connected with or built into real property;

36 (r) the gross receipts from fees or charges made under service or  
37 maintenance agreement contracts for services, charges for the providing  
38 of which are taxable under the provisions of subsection (p) or (q);

39 (s) the gross receipts received from the sale of computer software,  
40 the sale of the service of providing computer software other than pre-  
41 written computer software and the sale of the services of modifying, al-  
42 tering, updating or maintaining computer software, whether the com-  
43 puter software is installed or delivered electronically by tangible storage

- 1 media physically transferred to the purchaser or by load and leave;
- 2 (t) the gross receipts received for telephone answering services, mo-  
3 bile telecommunication services, beeper services and other similar serv-  
4 ices. On and after August 1, 2002, the provisions of the federal mobile  
5 telecommunications sourcing act as in effect on January 1, 2002, shall be  
6 applicable to all sales of mobile telecommunication services taxable pur-  
7 suant to this subsection. The secretary of revenue is hereby authorized  
8 and directed to perform any act deemed necessary to properly implement  
9 such provisions;
- 10 (u) the gross receipts received from the sale of prepaid calling service  
11 as defined in K.S.A. 2003 Supp. 79-3673, and amendments thereto; and
- 12 (v) the gross receipts received from the sales of bingo cards, bingo  
13 faces and instant bingo tickets by licensees under K.S.A. 79-4701, *et seq.*,  
14 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,  
15 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before  
16 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo  
17 faces and instant bingo tickets by licensees under K.S.A. 79-4701 *et seq.*,  
18 and amendments thereto, shall be exempt from taxes imposed pursuant  
19 to this section.
- 20 Sec. 3. K.S.A. 2003 Supp. 79-3620 is hereby amended to read as  
21 follows: 79-3620. (a) All revenue collected or received by the director of  
22 taxation from the taxes imposed by this act shall be remitted to the state  
23 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
24 amendments thereto. Upon receipt of each such remittance, the state  
25 treasurer shall deposit the entire amount in the state treasury, less  
26 amounts withheld as provided in subsection (b) and amounts credited as  
27 provided in subsection (c) and (d), to the credit of the state general fund.
- 28 (b) A refund fund, designated as “sales tax refund fund” not to exceed  
29 \$100,000 shall be set apart and maintained by the director from sales tax  
30 collections and estimated tax collections and held by the state treasurer  
31 for prompt payment of all sales tax refunds including refunds authorized  
32 under the provisions of K.S.A. 79-3635, and amendments thereto. Such  
33 fund shall be in such amount, within the limit set by this section, as the  
34 director shall determine is necessary to meet current refunding require-  
35 ments under this act. In the event such fund as established by this section  
36 is, at any time, insufficient to provide for the payment of refunds due  
37 claimants thereof, the director shall certify the amount of additional funds  
38 required to the director of accounts and reports who shall promptly trans-  
39 fer the required amount from the state general fund to the sales tax refund  
40 fund, and notify the state treasurer, who shall make proper entry in the  
41 records.
- 42 (c) (1) The state treasurer shall credit  $\frac{5}{8}$ s of the revenue collected  
43 or received from the tax imposed by K.S.A. 79-3603, and amendments



1 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),  
2 exclusive of amounts credited pursuant to subsection (d), in the state  
3 highway fund.

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

9 (3) *On July 1, 2006*, the state treasurer shall credit  ~~$\frac{1}{20}$~~   $\frac{19}{265}$  of the  
10 revenue collected and received from the tax imposed by K.S.A. 79-3603,  
11 and amendments thereto, at the rate of ~~5%~~ 5.3%, and deposited as pro-  
12 vided by subsection (a), exclusive of amounts credited pursuant to sub-  
13 section (d), in the state highway fund.

14 (4) *On July 1, 2007*, the state treasurer shall credit  $\frac{13}{106}$  of the rev-  
15 enue collected and received from the tax imposed by K.S.A. 79-3603, and  
16 amendments thereto, at the rate of 5.3%, and deposited as provided by  
17 subsection (a), exclusive of amounts credited pursuant to subsection (d),  
18 in the state highway fund.

19 (d) The state treasurer shall credit all revenue collected or received  
20 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as  
21 certified by the director, from taxpayers doing business within that por-  
22 tion of a redevelopment district occupied by a redevelopment project *or*  
23 *taxpayers doing business with such entity financed by a special bond*  
24 *project as defined in K.S.A. 12-1770a, and amendments thereto*, that was  
25 determined by the secretary of commerce ~~and housing~~ to be of statewide  
26 as well as local importance or will create a major tourism area for the  
27 state *or the project was designated as a special bond project* as defined  
28 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance  
29 fund, which fund is hereby created. The provisions of this subsection shall  
30 expire when the total of all amounts credited hereunder and under sub-  
31 section (d) of K.S.A. 79-3710, and amendments thereto, is sufficient to  
32 retire the special obligation bonds issued for the purpose of financing all  
33 or a portion of the costs of such redevelopment *or special bond* project.

34 Sec. 4. K.S.A. 2003 Supp. 79-3703 is hereby amended to read as  
35 follows: 79-3703. There is hereby levied and there shall be collected from  
36 every person in this state a tax or excise for the privilege of using, storing,  
37 or consuming within this state any article of tangible personal property.  
38 Such tax shall be levied and collected in an amount equal to the consid-  
39 eration paid by the taxpayer multiplied by the rate of 5.3% ~~on and after~~  
40 ~~July 1, 2002, and before July 1, 2006, and 5% on and after July 1, 2006.~~  
41 Within a redevelopment district established pursuant to K.S.A. 74-8921,  
42 and amendments thereto, there is hereby levied and there shall be col-  
43 lected and paid an additional tax of 2% until the earlier of: (1) The date

1 the bonds issued to finance or refinance the redevelopment project un-  
2 dertaken in the district have been paid in full; or (2) the final scheduled  
3 maturity of the first series of bonds issued to finance the redevelopment  
4 project. All property purchased or leased within or without this state and  
5 subsequently used, stored or consumed in this state shall be subject to  
6 the compensating tax if the same property or transaction would have been  
7 subject to the Kansas retailers' sales tax had the transaction been wholly  
8 within this state.

9 Sec. 5. K.S.A. 2003 Supp. 79-3710 is hereby amended to read as  
10 follows: 79-3710. (a) All revenue collected or received by the director  
11 under the provisions of this act shall be remitted to the state treasurer in  
12 accordance with the provisions of K.S.A. 75-4215, and amendments  
13 thereto. Upon receipt of each such remittance, the state treasurer shall  
14 deposit the entire amount in the state treasury, less amounts set apart as  
15 provided in subsection (b) and amounts credited as provided in subsection  
16 (c) and (d), to the credit of the state general fund.

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

24 (c) (1) The state treasurer shall credit  $\frac{5}{98}$  of the revenue collected  
25 or received from the tax imposed by K.S.A. 79-3703, and amendments  
26 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),  
27 exclusive of amounts credited pursuant to subsection (d), in the state  
28 highway fund.

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

34 (3) *On July 1, 2006*, the state treasurer shall credit  ~~$\frac{1}{20}$~~   $\frac{19}{265}$  of the  
35 revenue collected or received from the tax imposed by K.S.A. 79-3703,  
36 and amendments thereto, at the rate of ~~5%~~ 5.3%, and deposited as pro-  
37 vided by subsection (a), exclusive of amounts credited pursuant to sub-  
38 section (d), in the state highway fund.

39 (4) *On July 1, 2007*, the state treasurer shall credit  $\frac{13}{106}$  of the revenue  
40 collected or received from the tax imposed by K.S.A. 79-3703, and amend-  
41 ments thereto, at the rate of 5.3%, and deposited as provided by subsection  
42 (a), exclusive of amounts credited pursuant to subsection (d), in the state  
43 highway fund.

1 (d) The state treasurer shall credit all revenue collected or received  
2 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
3 certified by the director, from taxpayers doing business within that por-  
4 tion of a redevelopment district occupied by a redevelopment project that  
5 was determined by the secretary of commerce ~~and housing~~ to be of state-  
6 wide as well as local importance or will create a major tourism area for  
7 the state as defined in K.S.A. 12-1770a, and amendments thereto, to the  
8 city bond finance fund created by subsection (d) of K.S.A. 79-3620, and  
9 amendments thereto. The provisions of this subsection shall expire when  
10 the total of all amounts credited hereunder and under subsection (d) of  
11 K.S.A. 79-3620, and amendments thereto, is sufficient to retire the special  
12 obligation bonds issued for the purpose of financing all or a portion of  
13 the costs of such redevelopment project.

14 *This subsection shall not apply to a project designated as a special bond*  
15 *project as defined in subsection (z) of K.S.A. 12-1770a, and amendments*  
16 *thereto.*

17 Sec. 6. K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603,  
18 79-3603c, 79-3620, 79-3620c, 79-3703, 79-3710 and 79-3710a are hereby  
19 repealed.

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