

Approved February 6, 1986  
Date

MINUTES OF THE Senate COMMITTEE ON Local Government

The meeting was called to order by Senator Don Montgomery at  
Chairperson

9:00 a.m./~~p.m.~~ on March 5, 1986 in room 531-N of the Capitol.

All members were present except: Senator Winter who was excused

Committee staff present: Mike Heim, Emalene Correll, Theresa Kiernan, Lila McClaflin

Conferees appearing before the committee:

Representative Robin Leach  
Mrs. John Evans, Secretary of the Extension Board, Leavenworth County  
Beverly Bradley, Kansas Association of Counties  
Senator James Francisco, Mulvane

S.B. 629 - concerning county extension councils; relating to the members thereof.

Rep. Robin Leach testified in support of the bill. Leavenworth County would like the election for county extension council to be held at the time of the annual Leavenworth County fair. The bill is localized to Leavenworth County.

Rep. Leach responded to questions concerning why Leavenworth County wanted to make this change. He stated it would get more people to vote if a booth was set up at the fair, at the present they are voting at a shopping mall and only a few votes are cast. In response to a question concerning mail ballots, he state that would be to expensive.

A member of the committee expressed concern about all of the bills that have come before the committee that are localized.

The Chairman stated he had talked with Bob Newsome and he did not want to open it up to statewide at this time. A request was being made to the coordinating council for an interim study regarding the extension boards.

Mrs. John Evans, secretary of the Extension Board of Leavenworth County, stated they support the bill.

Senator Daniels moved to report the bill favorably. Senator Allen seconded the motion. The motion carried.

S.B. 627 - relating to countywide retailers' sales taxes; concerning the apportionment and use of revenues thereform.

Senator Francisco was present and supported the bill. He stated the bill was introduced to accommodate some citizens of Mulvane. The money from the new 1 percent Sedgwick County sales tax is used to reduce city property taxes for the residents on the Sedgwick side of town. When a city is split by a county line, and one of the counties passes a sales tax, the city can only use the sales tax to reduce property taxes for the residents of that county. Since part of Mulvane is in Sumner County there is quite a difference in the property tax mill levy. His testimony included an article from the Wichita Eagle-Beacon, dated November 7, 1985, (Attachment I). He stated the House is working the same bill, H.B. 2859.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Local Government,  
room 531-N, Statehouse, at 9:00 a.m./~~p.m.~~ on March 5, 1986

Beverly Bradley, Kansas Association of Counties, stated they had no opposition to applying the bill statewide.

Jim Kaup, League of Kansas Municipalities, presented written testimony in support of S.B. 627 and H.B. 2959 (Attachment II).

The consensus of the committee was to wait and see if H.B. 2959 was passed out of committee before passing this bill.

S.B. 663 - concerning tax statements required to be mailed by county treasurers to taxpayers; affecting the contents required to be included thereon.

Senator Ehrlich stated the Great Bend School Board had requested the bill. He stated under the provisions of this bill, when a city or school district is involved independently or jointly in the operation of a recreation system and is levying a tax to fund the operation of the system the tax statement shall indicate the exact amount and portion of the mill levy and tax due which is attributable to the operation of the recreation system.

Senator Ehrlich moved to report the bill favorably. Senator Daniels seconded the motion. The motion carried.

Senator Ehrlich moved to adopt the minutes of March 4, 1986. Senator Langworthy seconded the motion. The motion carried.

The meeting adjourned at 9:50 a.m., next meeting will be at 9:00 a.m., March 6.

  
\_\_\_\_\_  
Senator Don Montgomery



# Sedgwick Side of Mulvane to Get Tax Break

By Susan Freinkel  
Staff Writer

When they get their property tax bills this week, residents on the Sedgwick County side of Mulvane will find they owe about one-third less than Mulvane property owners who live to the south, across the Sumner County line.

That's because of a state law that requires that the money from the new 1 percent Sedgwick County sales tax be used to reduce city property taxes for residents on the Sedgwick side of town. The law states that when a city is split by a county line, and one of the counties passes a sales tax, the city can only use the sales tax to reduce property taxes, and only for the residents of that county.

Mulvane officials aren't pleased with the situation, but say they have no choice but to accept it. This year, at least.

"We are thinking about taking some other action, either through the State Legislature or through other avenues that are available to us," said City Administrator Ed Elam. He said one option would be for the city to try to assert home rule to get out from under the law.

The combined property tax rate for Mulvane residents on the Sedgwick County side of the line will be 109.798 mills, which translates

## Mulvane

into about \$527 for the owner of a \$60,000 house assessed at 8 percent.

If that same house were situated in Sumner County, the owner would pay about \$235 more, or \$762. The property tax rate for Sumner County residents will be 153.819 mills. A mill equals \$1 per \$1,000 of assessed valuation.

About one third of Mulvane's 4,400 residents live in Sumner County.

The Mulvane City Council decided to use the approximately \$226,000 the town expects to receive from the sales tax in 1986 to cut the tax rate for Sedgwick County residents in half, to 29.130 mills. The city tax rate for Sumner County residents is 59.680 mills, which is about the rate all residents of the city would have been taxed if the sales tax law had not been passed.

The new tax rates are a turnaround for Sumner County residents who for years have paid lower taxes than their neighbors in Sedgwick County.

But residents on the south side

of the line say they are not too disturbed by the change.

"The taxes over here have been cheaper for years and years than

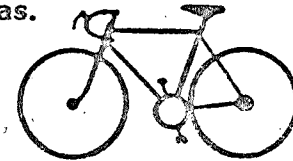
Sedgwick County was," said Walter Curry, who owns three properties in Sumner County. "I guess they're just catching up."

Hamilton's has the new line of SCHWINN® youth bikes!

Layaway Now for Christmas.

The Bicycle Store...

Hamilton's

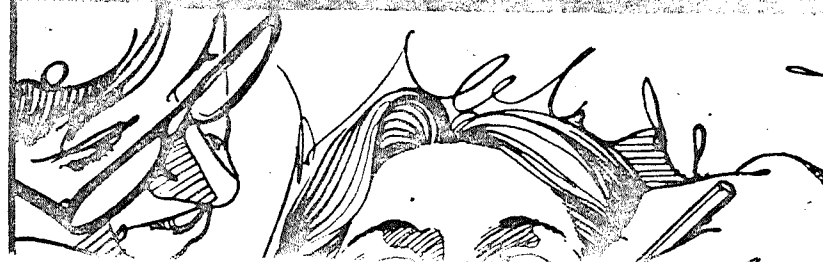


1622 S. PARKWOOD 682-7662  
(In the Village Shopping Center at Harry and Edgemoor)

# "Smart,"

describes the tips on looking good you'll discover every Tuesday in the **LifeStyle/Fashion** section of the Wichita Eagle-Beacon.

## FALL SPECIAL



attachment(I)

## ZETA EPSILON CRAFT FAIR

Saturday, November 9, 10:00 a.m. to 5:00 p.m.

Sunday, November 10, 12:00 p.m. to 5:00 p.m.

(Attachment I)  
3/5/86

S. LG

imposing a local retailers' sales tax, services performed by such retailer are subject to the tax regardless of whether the service is performed within or without the boundaries of the taxing jurisdiction. If there is no fixed or determinable place of business for any retailer, other than a retailer having its only place or places of business in another state, the place of business of such retailer shall be deemed to be the place where the services are performed.

**History:** L. 1983, ch. 58, § 2; April 28.

**12-192. Countywide retailers' sales taxes; apportionment of revenue from countywide retailers' sales tax; notification of state sales tax collected in county for preceding year.** (a) All revenue received by any county treasurer from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner: (1) One-half of all revenue received by the county treasurer shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year, and (2) except as provided by paragraph (3),  $\frac{1}{2}$  of all revenue received by the county treasurer from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county, or (3) one-half of all revenue received by the county treasurer of Geary county from countywide retailers' sales taxes levied in any year shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county less the population residing on a military reservation bears to the total population of the

county less the population residing on a military reservation, and second to the cities in the proportion that the population of each city bears to the total population of the county less the population residing on a military reservation. All revenue retained by the county shall be paid into the general fund of the county.

(b) For purposes of subsection (a), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(c) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax shall be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax, except when the county which does not levy a countywide sales tax has within its bounds a portion of the Fort Riley military reservation, the city in the county which levies the tax shall be exempt from this requirement. In every other case, all revenue received by a city from the proceeds of a city or countywide retailers' sales tax shall be deposited in the general fund of such taxing subdivision.

(d) Prior to March 1 of each year, the director of taxation shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

**History:** L. 1978, ch. 56, § 6; L. 1980, ch. 61, § 1; L. 1981, ch. 66, § 1; L. 1981, ch. 67, § 1; L. 1982, ch. 65, § 1; L. 1983, ch. 60, § 1; March 10.

**Law Review and Bar Journal References:**

"Survey of Kansas Law: Taxation," Sandra Craig McKenzie and Virginia Ratzlaff, 33 K.L.R. 71, 77 (1984).



**League  
of Kansas  
Municipalities**

**PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565**

**TO:** House Committee on Assessment and Taxation  
**FROM:** E.A. Mosher, Executive Director  
**DATE:** February 18, 1986  
**SUBJECT:** HB 2859--Use of Countywide Sales Tax Revenue by Certain Cities

Outline of Remarks

- Support HB 2859.
- Affects 10 of the 13 two-county cities--see below.
- Constitutional question as to existing law--may a city legally levy a tax rate that is not uniform in rate throughout the city?

-----  
Two-County Cities

Following are the 13 Kansas cities located in two counties. All but Geuda Springs receive revenue from a countywide retailers' sales tax. The rate of counties with countywide sales tax are shown within parenthesis. The populations listed are the population figures certified by the State Budget Division in July 1985 for sales tax distribution.

<u>City</u>	<u>Total Pop.</u>	<u>Pop.--County</u>	<u>Pop.--County</u>
Clayton*	91	82 Norton	9 Decatur(1)
Clifton*	623	323 Washington(1)	300 Clay(½)
Geuda Springs	230	213 Sumner	17 Cowley
Lake Quivira*	1,175	1,120 Johnson(½)	55 Wyandotte(1)
Manhattan*	33,294	33,124 Riley(½)	170 Pottawatomie
Mulvane*	4,456	3,160 Sedgwick(1)	1,296 Sumner
Oakley	2,317	2,248 Logan(1)	69 Thomas(1)
Sabetha	2,340	2,331 Nemaha(1)	9 Brown(1)
Sedgwick*	1,533	1,404 Harvey	129 Sedgwick(1)
Simpson*	109	108 Mitchell(1)	1 Cloud
Spring Hill*	1,808	1,761 Johnson(½)	47 Miami(1)
Vining*	72	47 Clay(½)	25 Washington(1)
Willard*	118	113 Shawnee	5 Wabaunsee(1)

\*Cities affected by existing law.

(ATTACHMENT II) 3/5/86 S. LG

President: Ed Eilert, Mayor, Overland Park • Vice Presidents: John L. Carder, Mayor, Iola • Past President: Peggy Blackman, Mayor, Marion  
 Directors: Robert C. Brown, Mayor, Wichita • Robert Creighton, Mayor, Atwood • Irene B. French, Mayor, Merriam • Donald L. Hamilton, City Clerk/Administrator, Mankato • Carl D. Holmes, Mayor, Plains • Paula McCreight, Mayor, Ness City • Jay P. Newton, Jr., City Manager, Newton • John E. Reardon, Mayor, Kansas City • David E. Retter, City Attorney, Concordia • Arthur E. Treece, Commissioner, Coffeyville • Dean P. Wiley, City Manager, Garden City • Douglas S. Wright, Mayor, Topeka • Executive Director: E.A. Mosher

683  
Fiscal Note  
1986 Session  
March 10, 1986

627  
Bill No.

503 W.

The Honorable Donald Montgomery, Chairperson  
Committee on Local Government  
Senate Chamber  
Third Floor, Statehouse

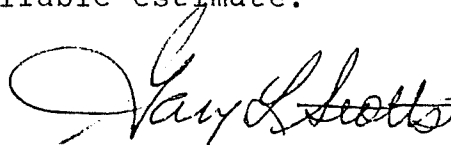
Dear Senator Montgomery:

SUBJECT: Fiscal Note for Senate Bill No. 627 by Senator  
Francisco

In accordance with K.S.A. 75-3715a, the following fiscal note concerning Senate Bill No. 627 is respectfully submitted to your committee.

Senate Bill No. 627 eliminates the current statutory guidelines regarding the distribution of countywide retailers' sales tax receipts to cities encompassing territory located in two or more counties where the countywide retailers' sales tax rate differs. Under current law, the apportionment of countywide retailers' sales tax receipts to a city such as described above, would solely go towards property tax relief in the area of the city located in the county with the higher tax rate. The amendment would allow all the aforementioned receipts to go to the general fund of the city.

Passage of Senate Bill No. 627 will have an impact on those cities having a territorial boundary encompassing more than one county. However, the impact will vary depending upon the specific situation and sufficient information is not available at this time to provide a reliable estimate.



Gary L. Stotts  
Acting Director of the Budget

GLS:JS:ks

The Honorable Donald Montgomery, Chairperson  
Committee on Local Government  
Senate Chamber  
Third Floor, Statehouse

Dear Senator Montgomery:

SUBJECT: Fiscal Note for Senate Bill No. 663 by Committee  
on Education

In accordance with K.S.A. 75-3715a, the following fiscal note concerning Senate Bill No. 663 is respectfully submitted to your committee.

Senate Bill No. 663 would require county tax statements to indicate the tax and the mill levy attributable to the operation of recreational commissions. The costs of implementing the bill could include computer reprogramming expenses and the cost of reprinting or reordering tax statement forms. The fiscal effect of the bill would vary from county to county because the sophistication of county computer systems and the organization of recreational systems tend to differ. The fiscal impact of the bill cannot be estimated at this time.



Gary L. Stotts  
Acting Director of the Budget

GLS:PA:sr