

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 11:05 a.m. on March 28, 2001, in Room 519-S of the Capitol.

All members were present except: Senators Allen and Jenkins – Excused

Committee staff present: April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Richard Cram, Kansas Department of Revenue
Senator Derek Schmidt

Others attending: See attached list.

Chairman Cobin opened a discussion on a previously heard bill, **HB 2221**, which was rereferred to the Committee after it reached the Senate floor at the request of the Department of Revenue who raised a question regarding the uniformity language put in the bill. He reminded the Committee that the bill dealt with Labette and Riley Counties and that provisions of **SB 311**, which was requested by the City of Coffeyville, were amended into it. He noted that the bill would authorize counties to impose a countywide sales tax for an economic development initiative or for infrastructure purposes, and it concerns health care service sales tax rates. With regard to the uniformity issue, he called the Committee's attention to additional amendments shown in a balloon of **HB 2221**, which was prepared by Richard Cram, Kansas Department of Revenue. (Attachment 1)

Mr. Cram pointed out language which he suggested be stricken on page 1, lines 38-40, and on page 3, lines 37-43 continuing to page 4, lines 1-2. As background information, he noted that the state constitution provides that, unless the sales tax statute is held to be uniformly applied to all cities within the same class and there are no more than four classes of cities, the sales tax statute is deemed to be nonuniform. He explained that, if the sales tax statute is nonuniform, cities can charter themselves out from under the sales tax statutes and enact whatever rates they want, and the action of the city would not necessarily be subject to the statutory election requirement for enacting local sales taxes. He noted that a both Kansas Supreme Court decision, *Clark v. the City of Overland Park* (226 K. 609), and a Court of Appeals decision, *Homebuilders Association v. City of Overland Park* (22 K. 649) indicate that, if the city's action is in some way dependent on what the county does, the courts tend to find nonuniformity. He explained that, with the current amendment to **HB 2221** under Section (a) (2) of K.S.A. 2000 Supp. 12-187, Class B cities can enact a local sales tax to fund health care facilities up to 1 percent, and Section (b) (5) authorizes counties to enact a 1 percent local sales tax to fund health care facilities. As the bill currently reads, the county and city together cannot enact more than a 1 percent total sales tax. He noted an argument has been raised that the rate is nonuniform if the city's rate would depend upon what the county's rate is. To address this issue of nonuniformity, Mr. Cram said the suggested amendments give both the city and the county the authority to enact up to a 1 percent local sales tax to fund health care facilities. With regard to his suggestion to delete lines 6-8 on page 6 of the bill, he explained that deleting the current language excepting "any such tax imposed by any class D city" would eliminate one more argument that the statute is not uniform.

Mr. Cram explained that his last suggested amendment would amend K.S.A. 2000 Supp. 12-192 to make it consistent with his suggested amendment to K.S.A. 2000 Supp. 12-187. He called attention to a copy of 12-192 included on the last three pages of his handout, noting that (d) (2) of 12-192, dealing with the interplay between a county tax and a city tax under 12-187 to fund a health care facility, would be deleted. He explained that, if both cities and counties are given the authority for a 1 percent sales tax in 12-187 as he suggested, (d) (2) of 12-192 is not necessary.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 11:05 a.m. on March 28, 2001, in Room 519-S of the Capitol.

Chairman Corbin noted that **HB 2221**, as amended and passed out of Committee, would have greatly affected a tax enacted by the City of Independence in November of 2000. The Department of Revenue authorized the City of Independence to begin collection of the tax on April 1, 2001; however, the committee amendments to the bill would make that authorization null and void. Senator Lee commented that part of the charter ordinance passed in Independence allows the city council to increase sales tax without a vote of the people.

Senator Schmidt, whose senatorial district includes Independence, stood to inform the Committee that, contrary to the opinion of the Revisor of Statutes, attorneys for the city are convinced that the effect of passing the language that was first in **SB 311** and then amended into **HB 2221** would have been to extinguish the city's legal authority to collect the two taxes the citizens of Independence voted on last November. In addition, he noted that, even if it did not actually negate the statute, it would have made the bonds the city intends to sell and then pay back with the stream of sales tax income virtually unmarketable because it would cast a shadow over the legitimacy of the income stream.

Senator Schmidt explained that the City of Independence put two separate city sales tax questions on the ballot last November, and both passed with approximately 70 percent of the vote. One question was for a one-half cent sales tax to finance a new waste water treatment plant the city is required to build under an environmental law. An additional three-fourths cent sales tax is for the city's quality of life initiative (library and swimming pool). The one-half cent was to have taken effect more or less immediately, and the three-fourths cent is to take effect as soon as an existing county three-fourths cent sales tax comes off.

Senator Schmidt went on to explain that the problem the City of Independence found with proposing the two city sales taxes was that both of the taxes added together exceeded the statutory cap for the city. Therefore, the city sought the advice of a bond counsel, who advised that the statute appeared to be nonuniform; therefore, the city should enact the city sales taxes through a charter ordinance. The citizens of Independence actually voted on a charter ordinance to charter out and raise one of the taxes. Assuming that the tax passed, the city would then have the authority to raise the second tax. He acknowledged that, with the passage of the charter ordinance, perhaps the city could continue raising sales taxes without a vote of the people, but he assured the Committee that the city has no intention of doing that. He pointed out that the city acted lawfully under current law, and the attempt now is to change the law in a manner which would make the action the city has already taken unlawful. In conclusion, Senator Schmidt emphasized that it is very important to the City of Independence that whatever is done with the bill does not have the effect of rendering their sales taxes uncollectible or their bonds unsaleable because it undermines investor confidence in the revenue stream.

Senator Lee began a discussion regarding the City of Independence being the only city in the state which has a charter ordinance allowing the collection of an additional local sales tax without a vote of the people. Don Hayward, Revisor of Statutes Office, noted that Overland Park and Bonner Springs chartered out of K.S.A. 12-194, which is a prohibition on excise taxes. In his opinion, none of the three cities could do more. He clarified that, under current law, the only instance in which the county shuts out the city is the health care arena. In his opinion, because the bill is post effective in nature with no retroactive application intended, Independence's charter would stand. In addition, he explained that the issuance of bonds with the revenue stream being from the sales tax revenue is a contract. Under the U.S. Constitution, the Legislature is prohibited from impairing that contract. In response to Senator Lee's concerns, he confirmed that the amendments proposed by Mr. Cram would allow both the city and county to increase local sales taxes by one percent but only by a vote of the people.

Senator moved to amend **HB 2221** as suggested by Richard Cram, Kansas Department of Revenue, seconded by Senator Praeger. The motion carried.

Senator Corbin began a discussion relating to the Committee's decision to amend a portion of **SB 311** into **HB 2221**. He informed the Committee that the City of Coffeyville has now requested that the bill be amended to allow the city to impose another one-half cent sales tax above two cents, not to expire for 20 years. Mr. Hayward recalled that, at the hearing on **SB 311**, Coffeyville proposed a one-half cent local sales tax as a Class D city for the purpose of providing financial assistance for the unified school district. When

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 11:05 a.m. on March 28, 2001, in Room 519-S of the Capitol.

SB 311 was amended into **HB 2221**, that provision was not included. The City of Coffeyville would like the one-half cent local sales tax provision without the school language and, in addition, would like the length of the sales tax extended from a maximum of 10 years to a maximum of 20 years. If allowed, the local sales tax would be increased by two and one-fourth cents. Following discussion, there was no motion to amend **HB 2221** as requested by the City of Coffeyville.

Chairman Corbin informed the Committee that a request had been made to remove Riley County from **HB 2221**. He said that he checked with Riley County representatives in the Senate and in the House, and they have no problem with the request. In addition, he had confirmed that the Riley County Commission has no problem with eliminating the county from the bill. He noted that Riley County can be returned to the bill through a floor amendment if for some reason the county changes its mind.

Senator Lee moved to delete Riley County from **HB 2221**, seconded by Senator Donovan. The motion carried.

Mr. Hayward explained that K.S.A. 12-189 was once again amended in **SB 253**; therefore, a technical amendment to **HB 2221** is needed to correct that conflict. Senator Pugh moved to conceptually amend **HB 2221** as suggested by Mr. Hayward, seconded by Senator Lee. The motion carried.

Senator Lee moved to recommend **HB 2221** favorably for passage as amended, seconded by Senator Praeger. The motion carried.

The minutes of the March 27, 2001, meeting were approved.

The meeting was adjourned at 11:45 a.m.

The next meeting date is to be announced.

1 *As Amended by Senate Committee*

2
3 *[As Amended by House Committee of the Whole]*

4
5 *As Amended by House Committee*

6 *Session of 2001*

7
8 **HOUSE BILL No. 2221**

9
10 By Committee on Taxation

11
12 1-30

13
14 AN ACT relating to sales taxation; authorizing ~~Riley county~~ **[certain**
15 **counties]** to impose countywide tax for economic development initia-
16 tive and infrastructure purposes; **concerning health care service**
17 **sales tax rates**; amending K.S.A. 2000 Supp. 12-187 **[and 12-189]**,
18 **as amended by section 1 of 2001 Senate Bill No. 216**, and repealing
19 the existing ~~section~~ **[sections]**.
20

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

22 Section 1. K.S.A. 2000 Supp. 12-187 is hereby amended to read as
23 follows: 12-187. (a) (1) No city shall impose a retailers' sales tax under
24 the provisions of this act without the governing body of such city having
25 first submitted such proposition to and having received the approval of a
26 majority of the electors of the city voting thereon at an election called
27 and held therefor. The governing body of any city may submit the ques-
28 tion of imposing a retailers' sales tax and the governing body shall be
29 required to submit the question upon submission of a petition signed by
30 electors of such city equal in number to not less than 10% of the electors
31 of such city.

32 (2) The governing body of any class B city ~~located in any county which~~
33 ~~does not impose a countywide retailers' sales tax pursuant to paragraph~~
34 ~~(5) of subsection (b)~~ may submit the question of imposing a retailers' sales
35 tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue re-
36 ceived therefrom for the purpose of financing the provision of health care
37 services, as enumerated in the question, to the electors at an election
38 called and held thereon. ~~The tax imposed pursuant to this paragraph~~
39 ~~and the tax imposed pursuant to paragraph (5) of subsection (b) by~~
40 ~~any county within which such city is located shall not exceed 1%.~~

41 The tax imposed pursuant to this paragraph shall be deemed to be in
42 addition to the rate limitations prescribed in K.S.A. 12-189, and amend-
43 ments thereto. As used in this paragraph, health care services shall include

Senate Assessment + Taxation
3-28-01
Attachment 1

1 but not be limited to the following: Local health departments, city, county
2 or district hospitals, city or county nursing homes, preventive health care
3 services including immunizations, prenatal care and the postponement of
4 entry into nursing homes by home health care services, mental health
5 services, indigent health care, physician or health care worker recruit-
6 ment, health education, emergency medical services, rural health clinics,
7 integration of health care services, home health services and rural health
8 networks.

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

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

38 (3) (A) Except as otherwise provided in this paragraph, the result of
39 the election held on November 8, 1988, on the question submitted by
40 the board of county commissioners of Jackson county for the purpose of
41 increasing its countywide retailers' sales tax by 1% is hereby declared
42 valid, and the revenue received therefrom by the county shall be ex-
43 pended solely for the purpose of financing the Banner Creek reservoir

1 project. The tax imposed pursuant to this paragraph shall take effect on
2 the effective date of this act and shall expire not later than five years after
3 such date.

4 (B) The result of the election held on November 8, 1994, on the
5 question submitted by the board of county commissioners of Ottawa
6 county for the purpose of increasing its countywide retailers' sales tax by
7 1% is hereby declared valid, and the revenue received therefrom by the
8 county shall be expended solely for the purpose of financing the erection,
9 construction and furnishing of a law enforcement center and jail facility.

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

33 (5) The board of county commissioners of any county may submit the
34 question of imposing a retailers' sales tax at the rate of .25%, .5%, .75%
35 or 1% and pledging the revenue received therefrom for the purpose of
36 financing the provision of health care services, as enumerated in the ques-
37 tion, to the electors at an election called and held thereon. ~~Whenever any~~
38 ~~county imposes a tax pursuant to this paragraph, any tax imposed pursuant~~
39 ~~to paragraph (2) of subsection (a) by any city located in such county shall~~
40 ~~expire upon the effective date of the imposition of the countywide tax,~~
41 ~~and thereafter the state treasurer shall remit to each such city that portion~~
42 ~~of the countywide tax revenue collected by retailers within such city as~~
43 ~~certified by the director of taxation. *The tax imposed pursuant to this*~~

~~1 paragraph and the tax imposed pursuant to paragraph (2) of sub-~~
~~2 section (a) by any city located within the county shall not exceed~~

~~3 1%.~~ The tax imposed pursuant to this paragraph shall be deemed to be
4 in addition to the rate limitations prescribed in K.S.A. 12-189, and amend-
5 ments thereto. As used in this paragraph, health care services shall include
6 but not be limited to the following: Local health departments, city or
7 county hospitals, city or county nursing homes, preventive health care
8 services including immunizations, prenatal care and the postponement of
9 entry into nursing homes by home care services, mental health services,
10 indigent health care, physician or health care worker recruitment, health
11 education, emergency medical services, rural health clinics, integration of
12 health care services, home health services and rural health networks.

13 (6) The board of county commissioners of Allen county may submit
14 the question of imposing a countywide retailers' sales tax at the rate of
15 .5% and pledging the revenue received therefrom for the purpose of
16 financing the costs of operation and construction of a solid waste disposal
17 area or the modification of an existing landfill to comply with federal
18 regulations to the electors at an election called and held thereon. The tax
19 imposed pursuant to this paragraph shall expire upon the payment of all
20 costs incurred in the financing of the project undertaken. Nothing in this
21 paragraph shall be construed to allow the rate of tax imposed by Allen
22 county pursuant to this paragraph to exceed or be imposed at any rate
23 other than the rates prescribed in K.S.A. 12-189 and amendments
24 thereto.

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

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

40 (9) The board of county commissioners of Cowley, [Labette,] Riley,
41 Russell and Woodson county may submit the question of imposing a
42 countywide retailers' sales tax at the rate of .5% in the case of Russell and
43 Woodson county and, at a rate of up to .25%, in the case of Cowley county

1 and at a rate of up to .5% in the case of [Labette and] Riley county, and
2 pledging the revenue received therefrom for the purpose of financing
3 economic development initiatives or public infrastructure projects. The
4 tax imposed pursuant to this paragraph shall expire after ~~five~~ **not more**
5 **than 10** years from the date such tax is first collected.

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

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

30 (d) Any city retailers' sales tax in the amount of .5% being levied by
31 a city on July 1, 1990, shall continue in effect until repealed in the manner
32 provided herein for the adoption and approval of such tax or until re-
33 pealed by the adoption of an ordinance so providing. In addition to any
34 city retailers' sales tax being levied by a city on July 1, 1990, any such city
35 may adopt an additional city retailers' sales tax in the amount of .25% or
36 .5%, provided that such additional tax is adopted and approved in the
37 manner provided for the adoption and approval of a city retailers' sales
38 tax. Any countywide retailers' sales tax in the amount of .5% or 1% in
39 effect on July 1, 1990, shall continue in effect until repealed in the manner
40 provided herein for the adoption and approval of such tax.

41 (e) A class D city shall have the same power to levy and collect a city
42 retailers' sales tax that a class A city is authorized to levy and collect and
43 in addition, the governing body of any class D city may submit the ques-

1 tion of imposing an additional city retailers' sales tax in the amount of
 2 .125%, .25%, .5% or .75% and pledging the revenue received therefrom
 3 for economic development initiatives, strategic planning initiatives or for
 4 public infrastructure projects including buildings to the electors at an
 5 election called and held thereon. Any additional sales tax imposed pur-
 6 suant to this paragraph shall expire no later than ~~five years from the date~~
 7 ~~of imposition thereof, except that any such tax imposed by any class D~~
 8 ~~city after the effective date of this act shall expire no later than~~ 10 years
 9 from the date of imposition thereof.

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

26 (g) The sufficiency of the number of signers of any petition filed
 27 under this section shall be determined by the county election officer.
 28 Every election held under this act shall be conducted by the county elec-
 29 tion officer.

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

34 ~~[Sec. 2. K.S.A. 2000 Supp. 12-189 is hereby amended to read~~
 35 ~~as follows: 12-189. Except as otherwise provided by paragraph (2)~~
 36 ~~of subsection (a) of K.S.A. 12-187, and amendments thereto, the~~
 37 ~~rate of any class A, class B or class C city retailers' sales tax shall~~
 38 ~~be fixed in the amount of .25%, .5%, .75% or 1% which amount~~
 39 ~~shall be determined by the governing body of the city. Except as~~
 40 ~~otherwise provided by paragraph (2) of subsection (a) of K.S.A. 12-~~
 41 ~~187, and amendments thereto, the rate of any class D city retailers'~~
 42 ~~sales tax shall be fixed in the amount of .25%, .5%, .75%, 1%,~~
 43 ~~1.125%, 1.25%, 1.5% or 1.75%. The rate of any countywide retail-~~

1 ~~ers' sales tax shall be fixed in an amount of either .25%, .5%, .75%~~
2 ~~or 1% which amount shall be determined by the board of county~~
3 ~~commissioners, except that:~~

4 ~~—[(a) The board of county commissioners of Wabaunsee county,~~
5 ~~for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-~~
6 ~~187, and amendments thereto, may fix such rate at 1.25%; the~~
7 ~~board of county commissioners of Osage county, for the purposes~~
8 ~~of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-~~
9 ~~ments thereto, may fix such rate at 1.25% or 1.5%; the board of~~
10 ~~county commissioners of Cherokee, Crawford, Ford, Saline, Sew-~~
11 ~~ard or Wyandotte county, for the purposes of paragraph (2) of~~
12 ~~subsection (b) of K.S.A. 12-187, and amendments thereto, may fix~~
13 ~~such rate at 1.5%, the board of county commissioners of Atchison~~
14 ~~county, for the purposes of paragraph (2) of subsection (b) of K.S.A.~~
15 ~~12-187, and amendments thereto, may fix such rate at 1.5% or~~
16 ~~1.75% and the board of county commissioners of Barton, Jefferson~~
17 ~~or Ottawa county, for the purposes of paragraph (2) of subsection~~
18 ~~(b) of K.S.A. 12-187, and amendments thereto, may fix such rate~~
19 ~~at 2%;~~

20 ~~—[(b) the board of county commissioners of Jackson county, for~~
21 ~~the purposes of paragraph (3) of subsection (b) of K.S.A. 12-187,~~
22 ~~and amendments thereto, may fix such rate at 2%;~~

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

26 ~~—[(d) the board of county commissioners of any county for the~~
27 ~~purposes of paragraph (5) of subsection (b) of K.S.A. 12-187, and~~
28 ~~amendments thereto, may fix such rate at a percentage which is~~
29 ~~equal to the sum of the rate allowed to be imposed by a board of~~
30 ~~county commissioners on the effective date of this act plus .25%,~~
31 ~~.5%, .75% or 1%, as the case requires;~~

32 ~~—[(e) the board of county commissioners of Dickinson county,~~
33 ~~for the purposes of paragraph (7) of subsection (b) of K.S.A. 12-~~
34 ~~187, and amendments thereto, may fix such rate at 1.5%, and the~~
35 ~~board of county commissioners of Miami county, for the purposes~~
36 ~~of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-~~
37 ~~ments thereto, may fix such rate at 1.25%, 1.5%, 1.75% or 2%;~~

38 ~~—[(f) the board of county commissioners of Sherman county, for~~
39 ~~the purposes of paragraph (8) of subsection (b) of K.S.A. 12-187,~~
40 ~~and amendments thereto, may fix such rate at 1.5%, 1.75% or 2%;~~

41 ~~—[(g) the board of county commissioners of Russell county for~~
42 ~~the purposes of paragraph (9) of subsection (b) of K.S.A. 12-187,~~
43 ~~and amendments thereto, may fix such rate at 1.5% and the board~~

1 of county commissioners of Labette county for such purposes may fix such
2 rate at 1.25% or 1.5%; or
3 ~~—(h) the board of county commissioners of Franklin county, for~~
4 ~~the purposes of paragraph (10) of subsection (b) of K.S.A. 12-187,~~
5 ~~and amendments thereto, may fix such rate at 1.75%.~~
6 ~~—[Any county or city levying a retailers' sales tax is hereby pro-~~
7 ~~hibited from administering or collecting such tax locally, but shall~~
8 ~~utilize the services of the state department of revenue to admin-~~
9 ~~ister, enforce and collect such tax. Except as otherwise specifically~~
10 ~~provided in K.S.A. 12-189a, and amendments thereto, such tax~~
11 ~~shall be identical in its application, and exemptions therefrom, to~~
12 ~~the Kansas retailers' sales tax act and all laws and administrative~~
13 ~~rules and regulations of the state department of revenue relating~~
14 ~~to the Kansas retailers' sales tax shall apply to such local sales tax~~
15 ~~insofar as such laws and rules and regulations may be made ap-~~
16 ~~licable. The state director of taxation is hereby authorized to ad-~~
17 ~~minister, enforce and collect such local sales taxes and to adopt~~
18 ~~such rules and regulations as may be necessary for the efficient~~
19 ~~and effective administration and enforcement thereof.~~
20 ~~—[Upon receipt of a certified copy of an ordinance or resolution~~
21 ~~authorizing the levy of a local retailers' sales tax, the state director~~
22 ~~of taxation shall cause such taxes to be collected within or without~~
23 ~~the boundaries of such taxing subdivision at the same time and in~~
24 ~~the same manner provided for the collection of the state retailers'~~
25 ~~sales tax. All moneys collected by the director of taxation under~~
26 ~~the provisions of this section shall be credited to a county and city~~
27 ~~retailers' sales tax fund which fund is hereby established in the~~
28 ~~state treasury. Any refund due on any county or city retailers' sales~~
29 ~~tax collected pursuant to this act shall be paid out of the sales tax~~
30 ~~refund fund and reimbursed by the director of taxation from col-~~
31 ~~lections of local retailers' sales tax revenue. Except for local re-~~
32 ~~tailers' sales tax revenue required to be deposited in the redevel-~~
33 ~~opment bond fund established under K.S.A. 2000 Supp. 74-8927,~~
34 ~~and amendments thereto, all local retailers' sales tax revenue col-~~
35 ~~lected within any county or city pursuant to this act shall be ap-~~
36 ~~portioned and remitted at least quarterly by the state treasurer,~~
37 ~~on instruction from the director of taxation, to the treasurer of~~
38 ~~such county or city.~~
39 ~~—[The director of taxation shall provide, upon request by a city or~~
40 ~~county clerk or treasurer of any city or county levying a local re-~~
41 ~~tailers' sales tax, monthly reports identifying each retailer having~~
42 ~~a place of business in such city or county setting forth the tax lia-~~
43 ~~bility and the amount of such tax remitted by each retailer during~~

~~1 the preceding month and identifying each business location main-
2 tained by the retailer within such city or county. Such report shall
3 be made available to the clerk or treasurer of such city or county
4 within a reasonable time after it has been requested from the di-
5 rector of taxation. The director of taxation shall be allowed to as-
6 sess a reasonable fee for the issuance of such report. Information
7 received by any city or county pursuant to this section shall be
8 confidential, and it shall be unlawful for any officer or employee
9 of such city or county to divulge any such information in any man-
10 ner. Any violation of this paragraph by a city or county officer or
11 employee is a class B misdemeanor, and such officer or employee
12 shall be dismissed from office.]~~

13 *Sec. 2. K.S.A. 2000 Supp. 12-189, as amended by section 1 of*
14 *2001 Senate Bill No. 216, is hereby amended to read as follows: 12-*
15 *189. Except as otherwise provided by paragraph (2) of subsection*
16 *(a) of K.S.A. 12-187, and amendments thereto, the rate of any class*
17 *A, class B or class C city retailers' sales tax shall be fixed in the*
18 *amount of .10%, .25%, .5%, .75% or 1% which amount shall be*
19 *determined by the governing body of the city. Except as otherwise*
20 *provided by paragraph (2) of subsection (a) of K.S.A. 12-187, and*
21 *amendments thereto, the rate of any class D city retailers' sales tax*
22 *shall be fixed in the amount of .25%, .5%, .75%, 1%, 1.125%, 1.25%,*
23 *1.5% or 1.75%. The rate of any countywide retailers' sales tax shall*
24 *be fixed in an amount of either .25%, .5%, .75% or 1% which*
25 *amount shall be determined by the board of county commissioners,*
26 *except that:*

27 *(a) The board of county commissioners of Wabaunsee county,*
28 *for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187,*
29 *and amendments thereto, may fix such rate at 1.25%; the board of*
30 *county commissioners of Osage county, for the purposes of para-*
31 *graph (2) of subsection (b) of K.S.A. 12-187, and amendments*
32 *thereto, may fix such rate at 1.25% or 1.5%; the board of county*
33 *commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wy-*
34 *andotte county, for the purposes of paragraph (2) of subsection (b)*
35 *of K.S.A. 12-187, and amendments thereto, may fix such rate at*
36 *1.5%, the board of county commissioners of Atchison county, for*
37 *the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187,*
38 *and amendments thereto, may fix such rate at 1.5% or 1.75% and*
39 *the board of county commissioners of Barton, Jefferson or Ottawa*
40 *county, for the purposes of paragraph (2) of subsection (b) of K.S.A.*
41 *12-187, and amendments thereto, may fix such rate at 2%;*

42 *(b) the board of county commissioners of Jackson county, for*
43 *the purposes of paragraph (3) of subsection (b) of K.S.A. 12-187,*

1 *and amendments thereto, may fix such rate at 2%;*

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

5 *(d) the board of county commissioners of any county for the*
6 *purposes of paragraph (5) of subsection (b) of K.S.A. 12-187, and*
7 *amendments thereto, may fix such rate at a percentage which is*
8 *equal to the sum of the rate allowed to be imposed by a board of*
9 *county commissioners on the effective date of this act plus .25%,*
10 *.5%, .75% or 1%, as the case requires;*

11 *(e) the board of county commissioners of Dickinson county, for*
12 *the purposes of paragraph (7) of subsection (b) of K.S.A. 12-187,*
13 *and amendments thereto, may fix such rate at 1.5%, and the board*
14 *of county commissioners of Miami county, for the purposes of par-*
15 *agraph (7) of subsection (b) of K.S.A. 12-187, and amendments*
16 *thereto, may fix such rate at 1.25%, 1.5%, 1.75% or 2%;*

17 *(f) the board of county commissioners of Sherman county, for*
18 *the purposes of paragraph (8) of subsection (b) of K.S.A. 12-187,*
19 *and amendments thereto, may fix such rate at 1.5%, 1.75% or 2%;*

20 *(g) the board of county commissioners of Russell county for the*
21 *purposes of paragraph (9) of subsection (b) of K.S.A. 12-187, and*
22 *amendments thereto, may fix such rate at 1.5% and the board of*
23 *county commissioners of Labette County for such purposes may fix such*
24 *rate at 1.25% or 1.5%; or*

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

28 *Any county or city levying a retailers' sales tax is hereby prohib-*
29 *ited from administering or collecting such tax locally, but shall util-*
30 *ize the services of the state department of revenue to administer,*
31 *enforce and collect such tax. Except as otherwise specifically pro-*
32 *vided in K.S.A. 12-189a, and amendments thereto, such tax shall be*
33 *identical in its application, and exemptions therefrom, to the Kansas*
34 *retailers' sales tax act and all laws and administrative rules and*
35 *regulations of the state department of revenue relating to the Kansas*
36 *retailers' sales tax shall apply to such local sales tax insofar as such*
37 *laws and rules and regulations may be made applicable. The state*
38 *director of taxation is hereby authorized to administer, enforce and*
39 *collect such local sales taxes and to adopt such rules and regulations*
40 *as may be necessary for the efficient and effective administration*
41 *and enforcement thereof.*

42 *Upon receipt of a certified copy of an ordinance or resolution*
43 *authorizing the levy of a local retailers' sales tax, the state director*

1 of taxation shall cause such taxes to be collected within or without
 2 the boundaries of such taxing subdivision at the same time and in
 3 the same manner provided for the collection of the state retailers'
 4 sales tax. All moneys collected by the director of taxation under the
 5 provisions of this section shall be credited to a county and city re-
 6 tailers' sales tax fund which fund is hereby established in the state
 7 treasury. Any refund due on any county or city retailers' sales tax
 8 collected pursuant to this act shall be paid out of the sales tax refund
 9 fund and reimbursed by the director of taxation from collections of
 10 local retailers' sales tax revenue. Except for local retailers' sales tax
 11 revenue required to be deposited in the redevelopment bond fund
 12 established under K.S.A. 2000 Supp. 74-8927, and amendments
 13 thereto, all local retailers' sales tax revenue collected within any
 14 county or city pursuant to this act shall be apportioned and remit-
 15 ted at least quarterly by the state treasurer, on instruction from the
 16 director of taxation, to the treasurer of such county or city.

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

34 ~~Sec. 2. [34] K.S.A. 2000 Supp. 12-187 is [and 12-189, as amended~~
 35 ~~by section 1 of 2001 Senate Bill No. 216, are]~~ hereby repealed.

36 ~~Sec. 3. [4] This act shall take effect and be in force from and after~~
 37 its publication in the statute book.

38
39
40
41
42
43

←
4
5

Insert Section 3 (attached)
 amending KSA 2000 Supp
 12-192 to delete
 subparagraph (d) (2)
 and amend (d) (1)

issuance of such report. Information received by any city or county pursuant to this section shall be confidential, and it shall be unlawful for any officer or employee of such city or county to divulge any such information in any manner. Any violation of this paragraph by a city or county officer or employee is a class B misdemeanor, and such officer or employee shall be dismissed from office.

History: L. 1978, ch. 56, § 3; L. 1979, ch. 326, § 3; L. 1982, ch. 64, § 3; L. 1983, ch. 58, § 3; L. 1986, ch. 66, § 2; L. 1987, ch. 63, § 2; L. 1989, ch. 57, § 2; L. 1990, ch. 68, § 4; L. 1991, ch. 54, § 4; L. 1992, ch. 198, § 6; L. 1992, ch. 279, § 3; L. 1992, ch. 251, § 2; L. 1993, ch. 240, § 2; L. 1994, ch. 354, § 3; L. 1995, ch. 12, § 3; L. 1995, ch. 246, § 2; L. 1998, ch. 11, § 2; L. 1998, ch. 188, § 3; L. 1999, ch. 1, § 3; L. 2000, ch. 140, § 3; July 1.

Revisor's Note:

Section was amended twice in 1998 session, see also 12-189c.

Research and Practice Aids:

Taxation ☞ 1337.
C.J.S. Licenses §§ 52 to 55.

Attorney General's Opinions:

Sales tax exemptions; original construction services; home rule. 92-96.

City retailers' sales tax; election. 93-22.

County and city retailers' sales taxes; administration and collection by state; monthly reports; confidentiality. 94-139.

Procedures for imposition of countywide and city retailers' sales tax. 2000-16.

CASE ANNOTATIONS

2. Act is nonuniform and is open to exercise of city home rule authority. *Home Builders Ass'n v. City of Overland Park*, 22 K.A. 2d 649, 667, 921 P.2d 234 (1996).

12-189a.

Attorney General's Opinions:

Sales tax exemptions; original construction services; home rule. 92-96.

12-189c.

History: L. 1978, ch. 56, § 3; L. 1979, ch. 326, § 3; L. 1982, ch. 64, § 3; L. 1983, ch. 58, § 3; L. 1986, ch. 66, § 2; L. 1987, ch. 63, § 2; L. 1989, ch. 57, § 2; L. 1990, ch. 68, § 4; L. 1991, ch. 54, § 4; L. 1992, ch. 198, § 6; L. 1992, ch. 279, § 3; L. 1992, ch. 251, § 2; L. 1993, ch. 240, § 2; L. 1994, ch. 354, § 3; L. 1995, ch. 12, § 3; L. 1995, ch. 246, § 2; L. 1998, ch. 199, § 18; Repealed, L. 2000, ch. 140, § 20; July 1.

12-189d. Sales of bingo cards, faces and instant bingo tickets; except. All sales of bingo cards, bingo faces and instant bingo tickets by li-

censees under K.S.A. 79-4701 *et seq.*, and amendments thereto, shall be exempt from the taxes levied and collected by cities and counties under K.S.A. 12-187 *et seq.*, and amendments thereto.

History: L. 2000, ch. 173, § 25; July 1.

Cross References to Related Sections:

State sales tax exemption, see 79-3603b.

12-191.

Research and Practice Aids:

Taxation ☞ 1233.
C.J.S. Licenses § 26.

Attorney General's Opinions:

Sales tax exemptions; original construction services; home rule. 92-96.

City retailers' sales tax; election. 93-22.

Sales tax; situs of taxable transactions; compensating tax; rate where article already subjected to tax. 94-22.

Procedures for imposition of countywide and city retailers' sales tax. 2000-16.

12-192. Same; apportionment of revenue from countywide retailers' sales tax; notification of state sales tax collected in county for preceding year; county clerks to provide secretary information necessary for apportionment. [See Revisor's Note] (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation 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 director of taxation 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) ½ of all revenue received by the director of taxation 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. All revenue apportioned to a county shall be paid to its county trea-

sureur and shall be credited to the general fund of the county.

(b) (1) As an alternative and in lieu of the apportionment formula provided in subsection (a), all revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of .75% or 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: (A) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.

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

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), 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 sub-

division 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.

(2) For the purposes of subsections (a) and (b), any ad valorem property tax levied on property located in a city in Johnson county for the purpose of providing fire protection service in such city shall be included within the term "total tangible property tax levies" for such city regardless of its applicability to all tangible property located within each such city. If the tax is levied by a district which extends across city boundaries, for purposes of this computation, the amount of such levy shall be apportioned among each city in which such district extends in the proportion that such tax levied within each city bears to the total tax levied by the district. *(5) - (10)*

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

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

(e) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof and deposited in the general fund of the city. 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, as an alternative to depositing the same in the general fund, may 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.

(f) Prior to March 1 of each year, the secretary of revenue shall advise each county treasurer of the revenue collected in such county from the

state retailers' sales tax for the preceding calendar year.

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

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; L. 1986, ch. 67, § 1; L. 1987, ch. 63, § 3; L. 1988, ch. 72, § 2; L. 1991, ch. 82, § 3; L. 1992, ch. 279, § 4; L. 1992, ch. 251, § 3; L. 1993, ch. 175, § 1; L. 1994, ch. 354, § 4; L. 1995, ch. 12, § 4; L. 1995, ch. 163, § 1; L. 1998, ch. 188, § 4; L. 1999, ch. 1, § 4; Feb. 18.

Revisor's Note:

Section was amended twice in 1998 session, see also 12-192c.

Research and Practice Aids:

Taxation ☞ 1344.
C.J.S. Licenses § 56.

Attorney General's Opinions:

Countywide retailers' sales tax; apportionment formula; county levy for use of state university. 1998-37.

12-192c. Same; apportionment of revenue from countywide retailers' sales tax; notification of state sales tax collected in county for preceding year; county clerks to provide secretary information necessary for apportionment. [See Revisor's Note] (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation 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 director of taxation 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 director of taxation 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 director of taxation from countywide retailers' sales taxes levied in Geary county 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 apportioned to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(b) (1) As an alternative and in lieu of the apportionment formula provided in subsection (a), all revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of .75% or 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: (A) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.

(2) In lieu of the revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of .75% or 1% after the effective date of this act, one-half of all revenue received by the director of taxation from countywide retailers' sales taxes levied in Geary county 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 apportioned to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(c) (1) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.

(2) For the purpose of this section, any advertisement located within Johnson county at the rate of .75% or 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: (A) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.

(d) (1) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.

(2) Except as otherwise provided by this section, any advertisement located within Johnson county at the rate of .75% or 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: (A) The revenue received from the first .5% rate of tax shall be apportioned in the manner prescribed by subsection (a) and (B) the revenue received from the rate of tax exceeding .5% shall be apportioned as follows: (i) One-fourth 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 (ii) one-fourth 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 and (iii) one-half shall be retained by the county for its sole use and benefit.