

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 7, 2006 in Room 519-S of the Capitol.

All members were present except:
Representative Mario Goico- excused

Committee staff present:
Chris Courtwright, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Others attending:
See attached list.

The Chairman opened the floor for bill introductions.

Representative Carlson made a motion to introduce a bill relating to motor vehicles; providing for a 90-day timber permit for farm trucks (Attachment 1). Representative Wilk seconded the motion. The motion carried.

Representative Brunk made a motion to introduce a bill regarding advanced placement classes, college level. Representative Siegfried seconded the motion. The motion carried.

Representative Thull made a motion to introduce a bill pertaining to a tax exemption for the current owners of property that had been owned by the same family for more than 100 years. Representative Treaster seconded the motion. The motion carried.

Sub for HB 2080 - The bill would incorporate the contents of HB 2080, as amended; HB 2006; HB 2219; HB 2221; HB 2236; HB 2244; HB 2290; HB 2056 and the Kinzer amendment.

Chris Courtwright briefed the Committee on the fiscal note of approximately \$175,000 in tax losses (Attachment 2). This is the split between the two projections.

Representative Owens made the motion that **Sub for HB 2080** be passed out favorable for passage. Representative Brunk seconded the motion.

Discussion followed questioning the rationale of the selection policy for tax exemptions between not-for-profit organizations.

Representative Owens said that this process is the current tax policy and until they change the process it is appropriate to grant tax exemption to those that have followed the rules. He moved his motion on **Sub for HB 2080**. The motion passed 11-9.

HB 2548 - Three-year phase out of the franchise tax

The Chairman opened the floor for discussion on the bill.

Representative Brunk made a motion that **HB 2548** be passed out favorable for passage. Representative Gordon seconded the motion.

Discussion followed regarding the pros and cons of fiscal responsibility verses expanded opportunity for businesses due to tax relief.

Representative Brunk closed and moved his motion. The motion passed.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 7, 2006 in Room 519-S of the Capitol.

Substitute HB 2023 - Uniformity and the Excise Tax

The Chairman opened the discussion by asking Representative Siegfried to review the bill that came out of the sub-committee. Gordon Self explained the process of substitute motions and amendments. Representative Siegfried moved that they insert the sub-committee report as shown in 5rs1449 (Attachment 3) into **Substitute HB 2023**. Representative Thull seconded the motion. The motion carried.

Representative Siegfried reviewed the sub-committee report. The effects of this bill are: 1) Deals with city sales tax authority only; 2) Sales tax adopted by claim of home rule authority prior to July 1, 2006 will be "grand-fathered" and; 3) Cities are reduced from four-plus classes of cities to one. The bill has a .03 cap for all cities (.02 for normal tax and .01 special tax), with a sunset after 10 years.

Gordon Self explained the charter process that is current law today.

Discussion continued on the differences in excise, impact, fees and sales taxes.

The Chairman closed the discussion on **Substitute HB 2023**. When they resume their discussion. Representative Owen will have the floor, followed by Representative Dillmore and Gordon.

Representative Kinzer announced a Sub-Committee on **HB 2680** on March 9, noon in room 123-S.

The meeting was adjourned at 10:30 P.M. The next meeting is March 8, 03/08/2006 2006.

HOUSE TAXATION COMMITTEE GUEST LIST

DATE: March 7, 2006

NAME	REPRESENTING
Ann Suskes	DOB
Robert Crow	KDOR
Jim Weisgerber	KDOR
David R. Corbin	KDOR
David Cunningham	KASB
Hal Hudson	NFIB
Don Murray	Frederico Consulting
Dave Holtwick	KC Home Builders
Perch Hein	Hein Law Firm
Mark Ward	DM Ward Construction
T.O ANDERSON	KSCPA
Tony A. Scott	KSCPA
LARRY R BAER	LKM
Erik Santorius	City of Overland Park
Brandy Wilson	Secretary of state

Proposed HOUSE BILL NO. _____

By

AN ACT relating to motor vehicles; providing for a timber permit.

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

Section 1. (a) Notwithstanding the provisions of K.S.A. 8-143, and amendments thereto, the owner of any duly registered and licensed farm truck or truck tractor in this state, engaged in the transporting of unfinished and unprocessed forest products, logs, ties, stave bolts and posts, originating and produced by such owner, from the point of production or harvesting to the point at which they shall first undergo any processing, preparation for processing, conversion or transformation from their raw or natural state, and desiring to operate in intrastate commerce in this state for a temporary period only, may obtain a timber permit, authorizing the operation of such farm truck or truck tractor on the highways of this state for a period of not to exceed 90 days from the date of issuance of such permit. The fee for each such permit shall be \$26. Where such fee is paid on a farm truck or truck tractor, no registration or fee shall be required for a trailer or semitrailer duly registered in this or another state and propelled by such farm truck or truck tractor. Application for such timber permit shall be made to the division of vehicles of the department of revenue.

(b) Any person issued a timber permit under this section, shall be authorized to operate such farm truck or truck tractor within 150 air miles of any farm or farms owned or leased by the registered owner of such farm truck or truck tractor.

(c) The secretary of revenue may adopt rules and regulations to implement the provisions of this section.

(d) The provisions of this section shall be a part of and supplemental to K.S.A. 8-126 et seq., and amendments thereto.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

Kansas Department of Revenue
Summary of Sales Tax Exemption Legislative Proposals

Sub HB 2080 -- Sales Tax Exemptions (Latest KDOR Fiscal Notes)

	<u>all libraries exempt*</u>	<u>no libraries exempt*</u>
2006 CHWC (Comm Housing Wyan Co)	\$ 20,000	\$ 20,000
2056 Cross Lines Coorervative	\$ 50,000	\$ 50,000
2080 Lyme Assn of KC	\$ 1,000	\$ 1,000
2219 W. Sedgwick Rotary	\$ 20,000	\$ 20,000
2221 Sales by public library (linked to filtering)*	\$ 50,000	\$ -
2236 Marillac Center	\$ 50,000	\$ 50,000
2244 KSDS, Inc Ks Speciality Dog Service Inc.	\$ 10,000	\$ 10,000
2290 Dreams Work, Inc	\$ 1,000	\$ 1,000
Total	\$ 202,000	\$ 152,000

* Committee amendment grants exemption to only those libraries certified to be in compliance with filtering requirements in CIPA (see HB 2581).

_____ BILL NO. _____

By

AN ACT concerning taxation; relating to city and county retailers' sales tax; excise tax, authority of cities and counties; amending K.S.A. 12-195b and K.S.A. 2005 Supp. 12-187, 12-189 and 12-194 and repealing the existing sections; also repealing K.S.A. 2005 Supp. 12-188.

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

Section 1. K.S.A. 2005 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) ~~(1)~~ No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

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

~~integration-of-health-care-services,--home--health--services--and
rural-health-networks.~~

(b) (1) The board of county commissioners of any county may submit the question of imposing a countywide retailers' sales tax to the electors at an election called and held thereon, and any such board shall be required to submit the question upon submission of a petition signed by electors of such county equal in number to not less than 10% of the electors of such county who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than 2/3 of the membership of the governing body of each of one or more cities within such county which contains a population of not less than 25% of the entire population of the county, or upon receiving resolutions requesting such an election passed by 2/3 of the membership of the governing body of each of one or more taxing subdivisions within such county which levy not less than 25% of the property taxes levied by all taxing subdivisions within the county.

(2) The board of county commissioners of Anderson, Atchison, Barton, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Jefferson, Lyon, Montgomery, Neosho, Osage, Ottawa, Riley, Saline, Seward, Sumner, Wabaunsee, Wilson and Wyandotte counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire when sales tax sufficient to pay all of the costs incurred in the financing of such facility has been collected by retailers as determined by the secretary of revenue. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed

in K.S.A. 12-189, and amendments thereto.

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

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

(C) Except as otherwise provided in this paragraph, the result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Sedgwick county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be used only to pay the costs of:

- (i) Acquisition of a site and constructing and equipping thereon a new regional events center, associated parking and infrastructure improvements and related appurtenances thereto, to be located in the downtown area of the city of Wichita, Kansas, (the "downtown arena");
- (ii) design for the Kansas coliseum complex and construction of improvements to the pavilions; and
- (iii) establishing an operating and maintenance reserve for the downtown arena and the Kansas coliseum complex.

The tax imposed pursuant to this paragraph shall commence on July 1, 2005, and shall terminate not later than 30 months after the commencement thereof.

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

(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of .25%, .5%, .75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to paragraph (2) of subsection (a) by any city located in such

county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include but not be limited to the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

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

(7) The board of county commissioners of Clay, Dickinson and Miami county may submit the question of imposing a countywide retailers' sales tax at the rate of .50% in the case of Clay and Dickinson county and at a rate of up to 1% in the case of Miami county, and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and

improvement to the electors at an election called and held thereon. Except as otherwise provided, the tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected. The result of the election held on November 2, 2004, on the question submitted by the board of county commissioners of Miami county for the purpose of extending for an additional five-year period the countywide retailers' sales tax imposed pursuant to this subsection in Miami county is hereby declared valid. The countywide retailers' sales tax imposed pursuant to this subsection in Clay and Miami county may be extended or reenacted for additional five-year periods upon the board of county commissioners of Clay and Miami county submitting such question to the electors at an election called and held thereon for each additional five-year period as provided by law.

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

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

(10) The board of county commissioners of Franklin county may submit the question of imposing a countywide retailers' sales tax at the rate of .25% and pledging the revenue received

therefrom for the purpose of financing recreational facilities. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized in financing such facilities.

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

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

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

(14) The board of county commissioners of Neosho county may submit the question of imposing a countywide retailers' sales tax at the rate of .5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

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

(d) Any city retailers' sales tax ~~in the amount of .5%~~ being levied by a city ~~on prior to~~ July 1, ~~1990~~ 2006, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance ~~so providing. In addition to any city retailers' sales tax being levied by a city on July 1, 1990, any such city may adopt an additional city retailers' sales tax in the amount of .25% or .5%, provided that such additional tax is adopted and approved in the manner provided for the adoption and approval of a city retailers' sales tax~~ for such repeal. Any countywide retailers' sales tax in the amount of .5% or 1% in effect on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

(e) ~~A class D city shall have the same power to levy and~~

~~collect-a-city-retailers'-sales-tax-that-a-class-A-city-is authorized-to-levy-and-collect-and-in-addition, the governing body-of-any-class-D-city-may-submit-the-question-of-imposing-an additional-city-retailers'-sales-tax-in-the-amount-of-125%, 25%, 5% or 75% and pledging-the-revenue-received-therefrom-for economic-development-initiatives, strategic-planning-initiatives or-for-public-infrastructure-projects-including-buildings-to-the electors-at-an-election-called-and-held-thereon. Any-additional sales-tax-imposed-pursuant-to-this-paragraph-shall-expire-no later-than-five-years-from-the-date-of-imposition-thereof, except that-any-such-tax-imposed-by-any-class-D-city-after-the-effective date-of-this-act-shall-expire-no-later-than-10-years-from-the date-of-imposition-thereof.~~

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

(g) (f) The sufficiency of the number of signers of any petition filed under this section shall be determined by the county election officer. Every election held under this act shall

be conducted by the county election officer.

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

Sec. 2. K.S.A. 2005 Supp. 12-189 is hereby amended to read as follows: 12-189. ~~Except-as-otherwise-provided-by-paragraph-(2) of--subsection--(a)-of-K.S.A.--12-187,-and-amendments-thereto,~~ The rate of any ~~class-A,-class-B-or-class-C~~ city retailers' sales tax shall be fixed in increments of .05% and in the an amount of .25%, .5%, .75% or 1% not to exceed 2% for general purposes and not to exceed 1% for special purposes which amount shall be determined by the governing body of the city. ~~Except-as-otherwise provided-by-paragraph-(2)-of-subsection-(a)-of-K.S.A.--12-187,-and amendments-thereto,-the-rate-of-any-class-D-city-retailers'-sales tax--shall--be--fixed-in-the-amount-of--1.0%,-.25%,-.5%,-.75%,1%, 1.25%,1.25%,1.5%--or--1.75%.~~ For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed. All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected.

The rate of any countywide retailers' sales tax shall be fixed in an amount of either .25%, .5%, .75% or 1% which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Wabaunsee county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25% or 1.5%; the board of county commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix

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

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

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

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

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

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

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

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

(i) the board of county commissioners of Douglas county, for the purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%;

(j) the board of county commissioners of Jackson county, for the purposes of subsection (b)(13) of K.S.A. 12-187 and amendments thereto, may fix such rate at 1.4%;

(k) the board of county commissioners of Sedgwick county, for the purposes of paragraph (3)(C) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 2%; or

(l) the board of county commissioners of Neosho county, for the purposes of paragraph (14) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.0% or 1.5%.

Any county or city levying a retailers' sales tax is hereby prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and amendments thereto, such tax shall be identical in its application, and exemptions therefrom, to the Kansas retailers' sales tax act and all laws and administrative rules and regulations of the state department of revenue relating to the Kansas retailers' sales tax shall apply to such local sales tax insofar as such laws and rules and regulations may be made applicable. The state director of taxation is hereby authorized to administer, enforce and collect such local sales taxes and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement thereof.

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. Such copy shall be submitted to the director of taxation within 30 days after adoption of any

such ordinance or resolution. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. Except for local retailers' sales tax revenue required to be deposited in the redevelopment bond fund established under K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

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

The director of taxation shall provide, upon request by a city or county clerk or treasurer or finance officer of any city or county levying a local retailers' sales tax, monthly reports identifying each retailer doing business in such city or county or making taxable sales sourced to such city or county, setting forth the tax liability and the amount of such tax remitted by each retailer during the preceding month and identifying each business location maintained by the retailer and such retailer's sales or use tax registration or account number. Such report shall be made available to the clerk or treasurer or finance officer of such city or county within a reasonable time after it has been requested from the director of taxation. The director of taxation shall be allowed to assess a reasonable fee for the 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 A misdemeanor, and such officer or employee shall be dismissed from office. Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney or county attorney and the attorney general shall have authority to prosecute violations of this paragraph.

Sec. 3. K.S.A. 2005 Supp. 12-194 is hereby amended to read as follows: 12-194. (a) No city or county shall levy or impose an excise tax or a tax in the nature of an excise, other than a retailers' sales tax and a compensating use tax, upon the sale or transfer of personal or real property, or the use thereof, or the rendering of a service, but the provisions of this section shall not be construed as prohibiting any city from ~~(a)~~: (1) Contracting with a utility for a fixed charge based upon a percentage of gross receipts derived from the service permitted by grant, right, privilege or franchise to such utility; ~~(b)~~

(2) imposing an occupation tax or license fee for the privilege of engaging in any business, trade, occupation or profession, or rendering or furnishing any service, but the determination of any such license fee shall not be based upon any amount the licensee has received from the sale or transfer of personal or real property, or for the rendering or furnishing of a service, or on the income of the licensee; ~~or-(c)~~

(3) levying any occupation tax or license fee imposed by such city prior to the effective date of this act;

(4) retaining any development excise tax as levied or imposed by such city as in existence on January 1, 2006; or

(5) levying an excise tax on tickets for admissions to concerts, theatrical performances, sports contests or other similar performances which take place on property owned by a city or county.

(b) No license fee described in subsection ~~(b)-of-this section~~ (a)(2) shall be imposed upon any utility contracting with

and subject to a charge, described in subsection ~~(a)~~ of this section (a)(1), by such city.

Sec. 4. K.S.A. 12-195b is hereby amended to read as follows:
12-195b. The governing body of any city or county by the appropriate ordinance or resolution, may authorize the issuance of general obligation bonds to provide for the payment of all or any portion of the cost of any public facilities or improvements for which such city or county is otherwise authorized pursuant to the constitution or laws of this state to issue general obligation bonds. The governing body may pledge revenues received from countywide or city retailers' sales taxes imposed pursuant to K.S.A. 12-187 et seq., and amendments thereto, for the payment of such bonds. The pledge of revenues received from countywide or city retailers' sales taxes for payment of such bonds shall constitute an irrevocable pledge of the revenues and shall be made a lien on the revenues for the benefit of bondholders. Any bonds issued under this section shall be subject to the following requirements:

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

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

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

(d) All bonds which are to be financed in accordance with the provisions of this section shall be subject to any statutory limitation of bonded indebtedness imposed on a city or county unless:

(1) The law authorizing the issuance of such bonds specifically excludes such bonds from any statutory limitation of bonded indebtedness;

(2) the bonds are excluded from the computation of bonded indebtedness pursuant to K.S.A. 10-307 or 10-309, and amendments thereto; or

(3) the bonds are issued by ~~a class or~~ Douglas county.

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

Sec. 5. K.S.A. 12-195b and K.S.A. 2005 Supp. 12-187, 12-188, 12-189 and 12-194 are hereby repealed.

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