

Approved: February 14, 2007  
Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:37 P.M. on February 12, 2007, in Room 526-S of the Capitol.

All members were present except Representatives Kelley, Tafanelli, and Wilk, all of whom were excused.

Committee staff present:

Mary Galligan, Kansas Legislative Research  
Tatiana Lin, Kansas Legislative Research  
Renaë Jefferies, Office of Revisor of Statutes  
Gary Deeter, Committee Assistant

Conferees appearing before the committee:

Gavin Young, Director of Public Affairs, Kansas Department of Administration

Others attending:

See attached list.

The Chairman encouraged members to continue to be involved in formulating direction for the Committee.

The minutes for February 7 and 8 were approved. (Motion by Representative Sloan; second, Representative Frownfelter)

Staff Mary Galligan guided the Committee through the Kansas State Department of Education (KSDE) website ([www.ksde.org](http://www.ksde.org)) to illustrate how a person can build a report card for a given unified school district, even for a specific building, and then compare that data with other school districts in the state. The Chairman commented on the comprehensive state education data, suggesting that a similar database could reflect budgetary information. He referenced testimony from a previous meeting, commenting that the Kansas Department of Administration (DofA) is proposing a statewide Financial Management System (FMS) that could include similar comprehensive budgetary information to the public.

Recalling that the scope of FMS did not include funding for a searchable database, members discussed the cost of the FMS. Gavin Young, Director of Public Affairs, DofA, explained that the proposed \$40.2-million project has \$2.4 million in the FY 2007 budget, \$2 million recommended in the FY 2008 budget, with agencies participating in future funding. He said that although the present financial system is incapable of providing public information and the proposed FMS does not include a public portal, he acknowledged that Duncan Friend, Project Manager, Division of Information Systems and Communications, and Bob Mackey, Director, Division of Accounts and Reports, have considered expanding the scope of the project and deem it possible to include a searchable database.

Returning to the KSDE website, the Chairman commented that **HB 2175** (a central accounting and

## CONTINUATION SHEET

MINUTES OF THE House Government Efficiency and Technology Committee at 3:30 P.M. on February 12, 2007, in Room 526-S of the Capitol.

reporting system for all unified school districts) would add budgeting information to the KSDE data repertoire.

Staff Mary Galligan compared **HB 2207** with **HB 2457**, saying that both bills propose a taxpayer transparency act creating a searchable website developed and maintained by the DofA ([Attachment 1](#)). She said that **HB 2457** would mandate a searchable database, keyword search by the public, graphical representations, and a hyperlink to the Consumer Price Index. She noted that both bills list the kinds of expenditures to be included on a searchable database, explaining that the list is not exhaustive and that other kinds of expenditures may be included; she said specifically included are expenditures made under Kansas investments in major projects/training act and those made to the tribal nations in the state.

Answering a question, Ms. Galligan said the Revisor's technical amendments to the bills make clear that tax refunds and other confidential Kansas Department of Revenue (KDOR) information are protected from disclosure ([Attachment 2](#) and [Attachment 3](#)). She noted that **HB 2457** includes the words "permit or" (page 2, line 37) to further protect Revenue's privileged data.

A member recalled that the Secretary of KDOR recommended removing section 3. Staff Renae Jefferies replied that section 3 authorizes the secretary of KDOR to give information to the DofA and that, where confidentiality prohibits disclosing certain information, statistical data will suffice; she further noted that the bill does not impact other statutory directives. Ms. Jefferies said that if either bill is recommended for passage, the technical amendment for the bill should be adopted. A member suggested that a 30-day implementation time is a stricture that could be adjusted upward.

Commenting further on **HB 2175**, Ms. Galligan said the bill would establish a single, statewide, centralized accounting and reporting system for all school districts, a system which presently does not exist.

The Chairman announced that the next day's meeting will be given to a sub-committee meeting. The meeting was adjourned at 4:42 p.m. The next meeting is scheduled for Wednesday, February 14, 2007.



## HOUSE BILL No. 2457

By Representatives Kelley, Beamer, Bowers, Brunk, Burgess, Dahl, Donohoe, George, Goico, Gordon, Grange, Hayzlett, Huntington, Kelsey, Kiegerl, King, Kinzer, Landwehr, Mast, Masterson, Merrick, Metsker, Judy Morrison, Jim Morrison, O'Neal, Otto, Peck, Rhoades, Siegfried, Swanson, Vickrey, Watkins, K. Wolf and Yoder

2-7

13 AN ACT relating to public finance; creating the Kansas taxpayer trans- Same name as 2207  
14 parency act; defining terms; requiring the secretary of administration  
15 to develop and operate a specified website; enumerating information  
16 which shall be made available on such website; establishing a time  
17 period covered for information on such website; requiring specified  
18 agencies to provide certain information; providing for nondisclosure  
19 of certain information; amending K.S.A. 2006 Supp. 75-5133 and re-  
20 pealing the existing section.

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

23 New Section 1. This act shall be known and may be cited as the  
24 Kansas taxpayer transparency act.

25 New Sec. 2. (a) As used in the Kansas taxpayer transparency act:

26 (1) "Searchable website" means a website that allows the public to  
27 search and aggregate the information identified in subsection (b). Such  
28 term shall include requirements that the website offer the public the  
29 ability to perform keyword searching, download data, ascertain the total  
30 amount of funds awarded to an entity through a single search and provide  
31 feedback and recommendations regarding the utility of the website. Such  
32 term shall not include any website that provides, as a search result, any  
33 hyperlink to another state of Kansas government website that cannot be  
34 searched electronically by field in a single search. More functionality of the  
website to include

Field might imply that the only allowable links would be to a website that allows database searching.

35 (2) "Expenditure of state funds" means the expenditure of all appro-  
36 priated or nonappropriated funds by a state entity from the state treasury  
37 in forms including, but not limited to:

38 (A) Grants;

39 (B) contracts;

40 (C) subcontracts;

41 (D) tax refunds, rebates or credits, excluding those which result from  
42 the overpayment of income tax pursuant to K.S.A. 79-1701 and 79-1702  
43 and K.S.A. 2006 Supp. 79-1705, and amendments thereto;

Attachment 1  
GET 2-12-07

1 (E) payments made under the Kansas investments in major projects IMPACT program --  
2 and comprehensive training act, K.S.A. 74-50,102 et seq., and amend- employee training, etc.  
3 ments thereto; and

4 (F) expenditures pursuant to any compact between the Governor and  
5 a federally recognized Indian tribe or nation in this state.

(A) Grants;  
(B) contracts;  
(C) subcontracts;  
(D) tax refunds, rebates  
or credits,  
and other things;

6 (3) "Expenditure of state funds" shall not mean the transfer of funds  
7 between two state agencies or payments of state or federal assistance to  
8 an individual.

9 (b) No later than January 1, 2008, the secretary of administration shall  
10 develop and operate a single, searchable website accessible by the public  
11 at no cost to access, that includes:

Initial implementation date  
is the same in both bills.

12 (1) For each expenditure, information including, but not limited to:

13 (A) The name and principal location or residence of the entity or  
14 recipient, or both, of the funds;

15 (B) the amount of state funds expended;

16 (C) the type of transaction;

17 (D) the funding or expending agency;

18 (E) the budget program source;

19 (F) a descriptive purpose of the funding action or expenditure; and

20 (G) any other relevant information specified by the secretary of  
21 administration;

22 (2) the complete contents of the tax expenditure information or re-  
23 port prepared by the department of revenue;

24 (3) visual representations, in graph form organized by function of  
25 government, of state general fund expenditures and all fund expenditures  
26 for any fiscal year searched, which shall be accessible as hyperlinks from  
27 any page providing a search result; and

Consumer Price Index (urban)

28 (4) a hyperlink to a website displaying the CPI (urban), which shall  
29 be displayed on any page providing a search result.

3 and 4 are not in  
2207

30 (c) The single website provided for in subsection (b) of this section  
31 shall include data for the fiscal year 2002 and each fiscal year thereafter.  
32 Such data shall be available on the single website no later than 30 days  
33 after the last day of the preceding fiscal year.

HB 2207 would begin  
with FY 2007

34 (d) The department of revenue, state treasurer and any other state  
35 agency shall provide to the secretary of administration such information  
36 as is necessary to accomplish the purposes of this act.

"permit or" is not in 2207

37 (e) Nothing in this act shall permit or require the disclosure of in-  
38 formation which is considered confidential by state or federal law.

Both bills would amend  
existing law regarding  
information that the  
Secretary of Revenue,  
the Director of Taxation  
and the Director of ABC  
are to keep confidential.

39 Sec. 3. K.S.A. 2006 Supp. 75-5133 is hereby amended to read as  
40 follows: 75-5133. (a) Except as otherwise more specifically provided by  
41 law, all information received by the secretary of revenue, the director of  
42 taxation or the director of alcoholic beverage control from returns, re-  
43 ports, license applications or registration documents made or filed under

1 the provisions of any law imposing any sales, use or other excise tax ad-  
 2 ministered by the secretary of revenue, the director of taxation, or the  
 3 director of alcoholic beverage control, or from any investigation con-  
 4 ducted under such provisions, shall be confidential, and it shall be unlaw-  
 5 ful for any officer or employee of the department of revenue to divulge  
 6 any such information except in accordance with other provisions of law  
 7 respecting the enforcement and collection of such tax, in accordance with  
 8 proper judicial order or as provided in K.S.A. 74-2424, and amendments  
 9 thereto.

10 (b) The secretary of revenue or the secretary's designee may:

11 (1) Publish statistics, so classified as to prevent identification of par-  
 12 ticular reports or returns and the items thereof;

13 (2) allow the inspection of returns by the attorney general or the  
 14 attorney general's designee;

15 (3) provide the post auditor access to all such excise tax reports or  
 16 returns in accordance with and subject to the provisions of subsection (g)  
 17 of K.S.A. 46-1106, and amendments thereto;

18 (4) disclose taxpayer information from excise tax returns to persons  
 19 or entities contracting with the secretary of revenue where the secretary  
 20 has determined disclosure of such information is essential for completion  
 21 of the contract and has taken appropriate steps to preserve confidentiality;

22 (5) provide information from returns and reports filed under article  
 23 42 of chapter 79 of the Kansas Statutes Annotated, *and amendments* technical  
 24 *thereto*, to county appraisers as is necessary to insure proper valuations  
 25 of property. Information from such returns and reports may also be ex-  
 26 changed with any other state agency administering and collecting con-  
 27 servation or other taxes and fees imposed on or measured by mineral  
 28 production;

29 (6) provide, upon request by a city or county clerk or treasurer or  
 30 finance officer of any city or county receiving distributions from a local  
 31 excise tax, monthly reports identifying each retailer doing business in such  
 32 city or county or making taxable sales sourced to such city or county,  
 33 setting forth the tax liability and the amount of such tax remitted by each  
 34 retailer during the preceding month, and identifying each business loca-  
 35 tion maintained by the retailer and such retailer's sales or use tax regis-  
 36 tration or account number;

37 (7) provide information from returns and applications for registration  
 38 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-  
 39 3601, and amendments thereto, to a city or county treasurer or clerk or  
 40 finance officer to explain the basis of statistics contained in reports pro-  
 41 vided by subsection (b)(6);

42 (8) disclose the following oil and gas production statistics received by  
 43 the department of revenue in accordance with K.S.A. 79-4216 et seq.,

- 1 and amendments thereto: Volumes of production by well name, well  
2 number, operator's name and identification number assigned by the state  
3 corporation commission, lease name, leasehold property description,  
4 county of production or zone of production, name of purchaser and pur-  
5 chaser's tax identification number assigned by the department of revenue,  
6 name of transporter, field code number or lease code, tax period, exempt  
7 production volumes by well name or lease, or any combination of this  
8 information;
- 9 (9) release or publish liquor brand registration information provided  
10 by suppliers, farm wineries and microbreweries in accordance with the  
11 liquor control act. The information to be released is limited to: Item  
12 number, universal numeric code, type status, product description, alcohol  
13 percentage, selling units, unit size, unit of measurement, supplier num-  
14 ber, supplier name, distributor number and distributor name;
- 15 (10) release or publish liquor license information provided by liquor  
16 licensees, distributors, suppliers, farm wineries and microbreweries in  
17 accordance with the liquor control act. The information to be released is  
18 limited to: County name, owner, business name, address, license type,  
19 license number, license expiration date and the process agent contact  
20 information;
- 21 (11) release or publish cigarette and tobacco license information ob-  
22 tained from cigarette and tobacco licensees in accordance with the Kansas  
23 cigarette and tobacco products act. The information to be released is  
24 limited to: County name, owner, business name, address, license type and  
25 license number;
- 26 (12) provide environmental surcharge or solvent fee, or both, infor-  
27 mation from returns and applications for registration filed pursuant to  
28 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secre-  
29 tary of health and environment or the secretary's designee for the sole  
30 purpose of ensuring that retailers collect the environmental surcharge tax  
31 or solvent fee, or both;
- 32 (13) provide water protection fee information from returns and ap-  
33 plications for registration filed pursuant to K.S.A. 82a-954, and amend-  
34 ments thereto, to the secretary of the state board of agriculture or the  
35 secretary's designee and the secretary of the Kansas water office or the  
36 secretary's designee for the sole purpose of verifying revenues deposited  
37 to the state water plan fund;
- 38 (14) provide to the secretary of commerce copies of applications for  
39 project exemption certificates sought by any taxpayer under the enter-  
40 prise zone sales tax exemption pursuant to subsection (cc) of K.S.A. 79-  
41 3606, and amendments thereto;
- 42 (15) disclose information received pursuant to the Kansas cigarette  
43 and tobacco act and subject to the confidentiality provisions of this act to

1 any criminal justice agency, as defined in subsection (c) of K.S.A. 22-  
 2 4701, and amendments thereto, or to any law enforcement officer, as  
 3 defined in subsection (c)(10) of K.S.A. 21-3110, and amendments thereto,  
 4 on behalf of a criminal justice agency, when requested in writing in con-  
 5 junction with a pending investigation; and  
 6 (16) provide to retailers tax exemption information for the sole pur-  
 7 pose of verifying the authenticity of tax exemption numbers issued by the  
 8 department.  
 9 (c) *The secretary of revenue or the secretary's designee shall disclose*  
 10 *specific information as required by subsections (b) and (d) of section 1,*  
 11 *and amendments thereto.*  
 12 (d) Any person receiving any information under the provisions of sub-  
 13 section (b) shall be subject to the confidentiality provisions of subsection  
 14 (a) and to the penalty provisions of subsection ~~(d)~~ (e).  
 15 ~~(d)~~ (e) Any violation of this section shall be a class A, nonperson mis-  
 16 demeanor, and if the offender is an officer or employee of this state, such  
 17 officer or employee shall be dismissed from office. *In addition to any*  
 18 *term of imprisonment, the offender shall be fined not less than \$1,500.*  
 19 Reports of violations of this ~~paragraph~~ *section* shall be investigated by the  
 20 attorney general. The district attorney or county attorney and the attorney  
 21 general shall have authority to prosecute any violation of this section if  
 22 the offender is a city or county clerk or treasurer or finance officer of a  
 23 city or county.  
 24 Sec. 4. K.S.A. 2006 Supp. 75-5133 is hereby repealed.  
 25 Sec. 5. This act shall take effect and be in force from and after its  
 26 publication in the statute book.

Creates a requirement that the Secretary disclose information required for the website.

A minimum \$1,500 fine would be applied for violation. The maximum fine for a class A misdemeanor is \$2,500.



HOUSE BILL No. 2207

By Committee on Governmental Efficiency and Technology

1-25

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Revisor's Technical Amendments  
2/10/07

Attachment 2  
GET K-12-07

9 AN ACT relating to public finance; creating the taxpayer transparency  
10 act; defining terms; requiring the secretary of administration to de-  
11 velop and operate a specified website; enumerating information which  
12 shall be made available on such website; establishing a time period  
13 covered for information on such website; requiring specified agencies  
14 to provide certain information; providing for nondisclosure of certain  
15 information; amending K.S.A. 2006 Supp. 75-5133 and repealing the  
16 existing section.

17  
18 *Be it enacted by the Legislature of the State of Kansas:*

19 New Section 1. This act shall be known and may be cited as the  
20 "taxpayer transparency act."

21 New Sec. 2. (a) As used in the taxpayer transparency act:

22 (1) "Searchable website" means a website that allows the public to  
23 search and aggregate information identified in subsection (b) of this sec-  
24 tion; and

25 (2) "Expenditure of state funds" means the expenditure of all appro-  
26 priated or nonappropriated funds by a state entity from the state treasury  
27 in forms including, but not limited to:

28 (A) Grants;

29 (B) contracts;

30 (C) subcontracts;

31 (D) tax refunds, rebates or credits, excluding those which result from  
32 the overpayment of income tax pursuant to **K.S.A. 79-1701 and 79-1702**  
33 **and K.S.A. 2006 Supp. 79-1705**, and amendments thereto;

79-3201 et seq.

34 (E) payments made under the Kansas investments in major projects  
35 and comprehensive training act, K.S.A. 74-50,102 et seq., and amend-  
36 ments thereto; and

37 (F) expenditures pursuant to any compact between the Governor and  
38 a federally recognized Indian tribe or nation in this state.

39 (3) "Expenditure of state funds" shall not mean the transfer of funds  
40 between two state agencies or payments of state or federal assistance to  
41 an individual.

42 (b) No later than January 1, 2008, the secretary of administration shall  
43 develop and operate a single, searchable website accessible by the public

1 at no cost to access, that includes:

- 2 (1) For each expenditure, information including, but not limited to:
- 3 (A) The name and principal location or residence of the entity or
- 4 recipient, or both, of the funds;
- 5 (B) the amount of state funds expended;
- 6 (C) the type of transaction;
- 7 (D) the funding or expending agency;
- 8 (E) the budget program source;
- 9 (F) a descriptive purpose of the funding action or expenditure; and
- 10 (G) any other relevant information specified by the secretary of ad-

11 ministration; and  
12 (2) the complete contents of the tax expenditure **information or** re-  
13 port prepared by the department of revenue.

14 (c) The single website provided for in subsection (b) of this section  
15 shall include data for the fiscal year 2007 and each fiscal year thereafter.  
16 Such data shall be available on the single website no later than 30 days  
17 after the last day of the preceding fiscal year.

18 (d) The department of revenue, state treasurer and any other state  
19 agency shall provide to the secretary of administration such information  
20 as is necessary to accomplish the purposes of this act.

21 (e) Nothing in this act shall require the disclosure of information  
22 which is considered confidential by state or federal law.

23 Sec. 3. K.S.A. 2006 Supp. 75-5133 is hereby amended to read as  
24 follows: 75-5133. (a) Except as otherwise more specifically provided by  
25 law, all information received by the secretary of revenue, the director of  
26 taxation or the director of alcoholic beverage control from returns, re-  
27 ports, license applications or registration documents made or filed under  
28 the provisions of any law imposing any sales, use or other excise tax ad-  
29 ministered by the secretary of revenue, the director of taxation, or the  
30 director of alcoholic beverage control, or from any investigation con-  
31 ducted under such provisions, shall be confidential, and it shall be unlaw-  
32 ful for any officer or employee of the department of revenue to divulge  
33 any such information except in accordance with other provisions of law  
34 respecting the enforcement and collection of such tax, in accordance with  
35 proper judicial order or as provided in K.S.A. 74-2424, and amendments  
36 thereto.

37 (b) The secretary of revenue or the secretary's designee may:

- 38 (1) Publish statistics, so classified as to prevent identification of par-
- 39 ticular reports or returns and the items thereof;
- 40 (2) allow the inspection of returns by the attorney general or the
- 41 attorney general's designee;
- 42 (3) provide the post auditor access to all such excise tax reports or
- 43 returns in accordance with and subject to the provisions of subsection (g)

1 of K.S.A. 46-1106, and amendments thereto;

2 (4) disclose taxpayer information from excise tax returns to persons  
3 or entities contracting with the secretary of revenue where the secretary  
4 has determined disclosure of such information is essential for completion  
5 of the contract and has taken appropriate steps to preserve confidentiality;

6 (5) provide information from returns and reports filed under article  
7 42 of chapter 79 of the Kansas Statutes Annotated to county appraisers  
8 as is necessary to insure proper valuations of property. Information from  
9 such returns and reports may also be exchanged with any other state  
10 agency administering and collecting conservation or other taxes and fees  
11 imposed on or measured by mineral production;

12 (6) provide, upon request by a city or county clerk or treasurer or  
13 finance officer of any city or county receiving distributions from a local  
14 excise tax, monthly reports identifying each retailer doing business in such  
15 city or county or making taxable sales sourced to such city or county,  
16 setting forth the tax liability and the amount of such tax remitted by each  
17 retailer during the preceding month, and identifying each business loca-  
18 tion maintained by the retailer and such retailer's sales or use tax regis-  
19 tration or account number;

20 (7) provide information from returns and applications for registration  
21 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-  
22 3601, and amendments thereto, to a city or county treasurer or clerk or  
23 finance officer to explain the basis of statistics contained in reports pro-  
24 vided by subsection (b)(6);

25 (8) disclose the following oil and gas production statistics received by  
26 the department of revenue in accordance with K.S.A. 79-4216 et seq. and  
27 amendments thereto: Volumes of production by well name, well number,  
28 operator's name and identification number assigned by the state corpo-  
29 ration commission, lease name, leasehold property description, county of  
30 production or zone of production, name of purchaser and purchaser's tax  
31 identification number assigned by the department of revenue, name of  
32 transporter, field code number or lease code, tax period, exempt produc-  
33 tion volumes by well name or lease, or any combination of this  
34 information;

35 (9) release or publish liquor brand registration information provided  
36 by suppliers, farm wineries and microbreweries in accordance with the  
37 liquor control act. The information to be released is limited to: Item  
38 number, universal numeric code, type status, product description, alcohol  
39 percentage, selling units, unit size, unit of measurement, supplier num-  
40 ber, supplier name, distributor number and distributor name;

41 (10) release or publish liquor license information provided by liquor  
42 licensees, distributors, suppliers, farm wineries and microbreweries in  
43 accordance with the liquor control act. The information to be released is

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2-4

1 limited to: County name, owner, business name, address, license type,  
2 license number, license expiration date and the process agent contact  
3 information;

4 (11) release or publish cigarette and tobacco license information ob-  
5 tained from cigarette and tobacco licensees in accordance with the Kansas  
6 cigarette and tobacco products act. The information to be released is  
7 limited to: County name, owner, business name, address, license type and  
8 license number;

9 (12) provide environmental surcharge or solvent fee, or both, infor-  
10 mation from returns and applications for registration filed pursuant to  
11 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secre-  
12 tary of health and environment or the secretary's designee for the sole  
13 purpose of ensuring that retailers collect the environmental surcharge tax  
14 or solvent fee, or both;

15 (13) provide water protection fee information from returns and ap-  
16 plications for registration filed pursuant to K.S.A. 82a-954, and amend-  
17 ments thereto, to the secretary of the state board of agriculture or the  
18 secretary's designee and the secretary of the Kansas water office or the  
19 secretary's designee for the sole purpose of verifying revenues deposited  
20 to the state water plan fund;

21 (14) provide to the secretary of commerce copies of applications for  
22 project exemption certificates sought by any taxpayer under the enter-  
23 prise zone sales tax exemption pursuant to subsection (cc) of K.S.A. 79-  
24 3606, and amendments thereto;

25 (15) disclose information received pursuant to the Kansas cigarette  
26 and tobacco act and subject to the confidentiality provisions of this act to  
27 any criminal justice agency, as defined in subsection (c) of K.S.A. 22-  
28 4701, and amendments thereto, or to any law enforcement officer, as  
29 defined in subsection (c)(10) of K.S.A. 21-3110, and amendments thereto,  
30 on behalf of a criminal justice agency, when requested in writing in con-  
31 junction with a pending investigation; and

32 (16) provide to retailers tax exemption information for the sole pur-  
33 pose of verifying the authenticity of tax exemption numbers issued by the  
34 department.

35 (c) *The secretary of revenue or the secretary's designee shall disclose*  
36 *specific information as required by subsections (b) and (d) of section 1,*  
37 *and amendments thereto.*

————— [2,

38 (d) Any person receiving any information under the provisions of sub-  
39 section (b) shall be subject to the confidentiality provisions of subsection  
40 (a) and to the penalty provisions of subsection (d).

————— [(e)

41 (e) Any violation of this section shall be a class A, nonperson mis-  
42 demeanor, and if the offender is an officer or employee of this state, such  
43 officer or employee shall be dismissed from office. Reports of violations

1 of this paragraph shall be investigated by the attorney general. The district  
2 attorney or county attorney and the attorney general shall have authority  
3 to prosecute any violation of this section if the offender is a city or county  
4 clerk or treasurer or finance officer of a city or county.

5 Sec. 4. K.S.A. 2006 Supp. 75-5133 is hereby repealed.

6 Sec. 5. This act shall take effect and be in force from and after its  
7 publication in the statute book.

2-5

**HOUSE BILL No. 2457**

Revisor  
Technical Amendment  
2/12/07

Attachment 3  
GET 2-12-07

By Representatives Kelley, Beamer, Bowers, Brunk, Burgess, Dahl, Donohoe, George, Goico, Gordon, Grange, Hayzlett, Huntington, Kelsey, Kiegerl, King, Kinzer, Landwehr, Mast, Masterson, Merrick, Metsker, Judy Morrison, Jim Morrison, O'Neal, Otto, Peck, Rhoades, Siegfried, Swanson, Vickrey, Watkins, K. Wolf and Yoder

2-7

13 AN ACT relating to public finance; creating the Kansas taxpayer trans-  
14 parency act; defining terms; requiring the secretary of administration  
15 to develop and operate a specified website; enumerating information  
16 which shall be made available on such website; establishing a time  
17 period covered for information on such website; requiring specified  
18 agencies to provide certain information; providing for nondisclosure  
19 of certain information; amending K.S.A. 2006 Supp. 75-5133 and re-  
20 pealing the existing section.

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

22 New Section 1. This act shall be known and may be cited as the  
23 Kansas taxpayer transparency act.

24 New Sec. 2. (a) As used in the Kansas taxpayer transparency act:

25 (1) "Searchable website" means a website that allows the public to  
26 search and aggregate the information identified in subsection (b). Such  
27 term shall include requirements that the website offer the public the  
28 ability to perform keyword searching, download data, ascertain the total  
29 amount of funds awarded to an entity through a single search and provide  
30 feedback and recommendations regarding the utility of the website. Such  
31 term shall not include any website that provides, as a search result, any  
32 hyperlink to another state of Kansas government website that cannot be  
33 searched electronically by field in a single search.

34 (2) "Expenditure of state funds" means the expenditure of all appro-  
35 priated or nonappropriated funds by a state entity from the state treasury  
36 in forms including, but not limited to:

- 37 (A) Grants;
- 38 (B) contracts;
- 39 (C) subcontracts;
- 40 (D) tax refunds, rebates or credits, excluding those which result from
- 41 the overpayment of income tax pursuant to K.S.A. 79-1701 and 79-1702
- 42 and K.S.A. 2006 Supp. 79-1705 and amendments thereto;

79-3201 et seq.

1 (E) payments made under the Kansas investments in major projects  
2 and comprehensive training act, K.S.A. 74-50,102 et seq., and amend-  
3 ments thereto; and

4 (F) expenditures pursuant to any compact between the Governor and  
5 a federally recognized Indian tribe or nation in this state.

6 (3) "Expenditure of state funds" shall not mean the transfer of funds  
7 between two state agencies or payments of state or federal assistance to  
8 an individual.

9 (b) No later than January 1, 2008, the secretary of administration shall  
10 develop and operate a single, searchable website accessible by the public  
11 at no cost to access, that includes:

12 (1) For each expenditure, information including, but not limited to:

13 (A) The name and principal location or residence of the entity or  
14 recipient, or both, of the funds;

15 (B) the amount of state funds expended;

16 (C) the type of transaction;

17 (D) the funding or expending agency;

18 (E) the budget program source;

19 (F) a descriptive purpose of the funding action or expenditure; and

20 (G) any other relevant information specified by the secretary of  
21 administration;

22 (2) the complete contents of the tax expenditure ~~information or~~ re-  
23 port prepared by the department of revenue;

24 (3) visual representations, in graph form organized by function of  
25 government, of state general fund expenditures and all fund expenditures  
26 for any fiscal year searched, which shall be accessible as hyperlinks from  
27 any page providing a search result; and

28 (4) a hyperlink to a website displaying the CPI (urban), which shall  
29 be displayed on any page providing a search result.

30 (c) The single website provided for in subsection (b) of this section  
31 shall include data for the fiscal year 2002 and each fiscal year thereafter.  
32 Such data shall be available on the single website no later than 30 days  
33 after the last day of the preceding fiscal year.

34 (d) The department of revenue, state treasurer and any other state  
35 agency shall provide to the secretary of administration such information  
36 as is necessary to accomplish the purposes of this act.

37 (e) Nothing in this act shall permit or require the disclosure of in-  
38 formation which is considered confidential by state or federal law.

39 Sec. 3. K.S.A. 2006 Supp. 75-5133 is hereby amended to read as  
40 follows: 75-5133. (a) Except as otherwise more specifically provided by  
41 law, all information received by the secretary of revenue, the director of  
42 taxation or the director of alcoholic beverage control from returns, re-  
43 ports, license applications or registration documents made or filed under

1 the provisions of any law imposing any sales, use or other excise tax ad-  
2 ministered by the secretary of revenue, the director of taxation, or the  
3 director of alcoholic beverage control, or from any investigation con-  
4 ducted under such provisions, shall be confidential, and it shall be unlaw-  
5 ful for any officer or employee of the department of revenue to divulge  
6 any such information except in accordance with other provisions of law  
7 respecting the enforcement and collection of such tax, in accordance with  
8 proper judicial order or as provided in K.S.A. 74-2424, and amendments  
9 thereto.

10 (b) The secretary of revenue or the secretary's designee may:

11 (1) Publish statistics, so classified as to prevent identification of par-  
12 ticular reports or returns and the items thereof;

13 (2) allow the inspection of returns by the attorney general or the  
14 attorney general's designee;

15 (3) provide the post auditor access to all such excise tax reports or  
16 returns in accordance with and subject to the provisions of subsection (g)  
17 of K.S.A. 46-1106, and amendments thereto;

18 (4) disclose taxpayer information from excise tax returns to persons  
19 or entities contracting with the secretary of revenue where the secretary  
20 has determined disclosure of such information is essential for completion  
21 of the contract and has taken appropriate steps to preserve confidentiality;

22 (5) provide information from returns and reports filed under article  
23 42 of chapter 79 of the Kansas Statutes Annotated, *and amendments*  
24 *thereto*, to county appraisers as is necessary to insure proper valuations  
25 of property. Information from such returns and reports may also be ex-  
26 changed with any other state agency administering and collecting con-  
27 servation or other taxes and fees imposed on or measured by mineral  
28 production;

29 (6) provide, upon request by a city or county clerk or treasurer or  
30 finance officer of any city or county receiving distributions from a local  
31 excise tax, monthly reports identifying each retailer doing business in such  
32 city or county or making taxable sales sourced to such city or county,  
33 setting forth the tax liability and the amount of such tax remitted by each  
34 retailer during the preceding month, and identifying each business loca-  
35 tion maintained by the retailer and such retailer's sales or use tax regis-  
36 tration or account number;

37 (7) provide information from returns and applications for registration  
38 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-  
39 3601, and amendments thereto, to a city or county treasurer or clerk or  
40 finance officer to explain the basis of statistics contained in reports pro-  
41 vided by subsection (b)(6);

42 (8) disclose the following oil and gas production statistics received by  
43 the department of revenue in accordance with K.S.A. 79-4216 et seq.,



1 and amendments thereto: Volumes of production by well name, well  
2 number, operator's name and identification number assigned by the state  
3 corporation commission, lease name, leasehold property description,  
4 county of production or zone of production, name of purchaser and pur-  
5 chaser's tax identification number assigned by the department of revenue,  
6 name of transporter, field code number or lease code, tax period, exempt  
7 production volumes by well name or lease, or any combination of this  
8 information;

9 (9) release or publish liquor brand registration information provided  
10 by suppliers, farm wineries and microbreweries in accordance with the  
11 liquor control act. The information to be released is limited to: Item  
12 number, universal numeric code, type status, product description, alcohol  
13 percentage, selling units, unit size, unit of measurement, supplier num-  
14 ber, supplier name, distributor number and distributor name;

15 (10) release or publish liquor license information provided by liquor  
16 licensees, distributors, suppliers, farm wineries and microbreweries in  
17 accordance with the liquor control act. The information to be released is  
18 limited to: County name, owner, business name, address, license type,  
19 license number, license expiration date and the process agent contact  
20 information;

21 (11) release or publish cigarette and tobacco license information ob-  
22 tained from cigarette and tobacco licensees in accordance with the Kansas  
23 cigarette and tobacco products act. The information to be released is  
24 limited to: County name, owner, business name, address, license type and  
25 license number;

26 (12) provide environmental surcharge or solvent fee, or both, infor-  
27 mation from returns and applications for registration filed pursuant to  
28 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secre-  
29 tary of health and environment or the secretary's designee for the sole  
30 purpose of ensuring that retailers collect the environmental surcharge tax  
31 or solvent fee, or both;

32 (13) provide water protection fee information from returns and ap-  
33 plications for registration filed pursuant to K.S.A. 82a-954, and amend-  
34 ments thereto, to the secretary of the state board of agriculture or the  
35 secretary's designee and the secretary of the Kansas water office or the  
36 secretary's designee for the sole purpose of verifying revenues deposited  
37 to the state water plan fund;

38 (14) provide to the secretary of commerce copies of applications for  
39 project exemption certificates sought by any taxpayer under the enter-  
40 prise zone sales tax exemption pursuant to subsection (cc) of K.S.A. 79-  
41 3606, and amendments thereto;

42 (15) disclose information received pursuant to the Kansas cigarette  
43 and tobacco act and subject to the confidentiality provisions of this act to

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1 any criminal justice agency, as defined in subsection (c) of K.S.A. 22-  
2 4701, and amendments thereto, or to any law enforcement officer, as  
3 defined in subsection (c)(10) of K.S.A. 21-3110, and amendments thereto,  
4 on behalf of a criminal justice agency, when requested in writing in con-  
5 junction with a pending investigation; and

6 (16) provide to retailers tax exemption information for the sole pur-  
7 pose of verifying the authenticity of tax exemption numbers issued by the  
8 department.

9 (c) *The secretary of revenue or the secretary's designee shall disclose*  
10 *specific information as required by subsections (b) and (d) of section 1,*  
11 *and amendments thereto.*

← 2,

12 (d) Any person receiving any information under the provisions of sub-  
13 section (b) shall be subject to the confidentiality provisions of subsection  
14 (a) and to the penalty provisions of subsection ~~(d)~~ (e).

15 ~~(d)~~ (e) Any violation of this section shall be a class A, nonperson mis-  
16 demeanor, and if the offender is an officer or employee of this state, such  
17 officer or employee shall be dismissed from office. *In addition to any*  
18 *term of imprisonment, the offender shall be fined not less than \$1,500.*  
19 Reports of violations of this ~~paragraph~~ *section* shall be investigated by the  
20 attorney general. The district attorney or county attorney and the attorney  
21 general shall have authority to prosecute any violation of this section if  
22 the offender is a city or county clerk or treasurer or finance officer of a  
23 city or county.

24 Sec. 4. K.S.A. 2006 Supp. 75-5133 is hereby repealed.

25 Sec. 5. This act shall take effect and be in force from and after its  
26 publication in the statute book.