

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2698

As Recommended by House Committee on
Taxation

Brief*

HB 2698 would authorize a special sales tax rate in Sherman County, subject to voter approval, of 1 percent for street and roadway improvements. In order to accommodate this increase, the total countywide sales tax rate also would be increased to 2.25 percent. Finally, the bill would exempt Sherman County from any statutory limitation of bonded indebtedness.

Background

Representative Jim Morrison and Kevin Rasure, Chairman of the Sherman County Board of County Commissioners, testified in favor of the bill. No one appeared in opposition. Proponents stated the new special tax was needed to improve streets and roadways to accommodate growth in the area that includes the construction of several power and fuel plants, and that they hoped to hold an April election on the issue regarding whether the total tax should be raised to 2.25 percent.

Current law allows the board of county commissioners of any county – or requires the board, if a petition is signed by the requisite number of voters – to call for an election to authorize imposition of a countywide retailers' sales tax. The general maximum countywide sales tax rate is required to be fixed at a rate of .25 percent, .5 percent, .75 percent or 1 percent, unless a statutory exception is made. For Sherman County, current law authorizes a countywide tax rate of 1.5 percent, 1.75 percent, or 2 percent. Certain counties also are given authorization for imposition of a sales tax for special projects. Current law had authorized Sherman County's Board of County Commissioners to impose a special sales tax, upon voter approval, at the rate of .25 percent, .5 percent, or .75 percent and use the revenue raised to finance particular county road construction and

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

improvement projects. This bill would replace this set of incremental rates for Sherman County's special tax with the new rate of 1 percent and broaden its authorized use to street and roadway improvements.

According to the Kansas Department of Revenue, the bill would have no impact on state revenues.