

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2535**

As Agreed to April 10, 2026

Brief*

HB 2535 would amend law related to countywide retailers' sales tax authority and apportionment.

Countywide Sales Tax Authority

The bill would authorize the counties of Butler, Labette, and Leavenworth to submit questions of additional countywide sales taxes to the voters of the respective counties.

The proceeds of any additional sales tax so approved by voters would be retained by the respective county government and would not be subject to apportionment among the cities within the counties.

Butler County

The bill would authorize the Board of County Commissioners of Butler County to submit to the voters of the county a question of imposing a countywide sales tax at a rate of 0.25, 0.5, 0.75, or 1.0 percent for the purpose of providing property tax relief. The tax would expire five years from the date first collected and could be extended for additional five-year periods upon additional elections.

Labette County

The bill would authorize the Board of County Commissioners of Labette County to submit to the voters of the county a question of imposing a 0.125 percent countywide sales tax for the purpose of providing financial support to fire departments within the county. The tax would expire five years from the date first collected and could be extended for additional five-year periods upon additional elections.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <https://klrd.gov/>

Leavenworth County

The bill would authorize the Board of County Commissioners of Leavenworth County to submit to the voters of the county a question of imposing a 0.125 percent or 0.25 percent countywide sales tax for the purpose of furnishing, equipping, improving, and maintaining county-supported emergency management operations.

Sales Tax Apportionment

The bill would require the apportionment of sales tax revenue among cities and counties that is based on the proportion of the tax levied by each city and county to remain unchanged through December 31, 2027.

[*Note:* Continuing law requires 50 percent of the revenue collected from a countywide retailers' sales tax revenue be apportioned based on the proportion of tax levied by the county and each city; this apportionment was set to remain unchanged between July 1, 2025, and December 31, 2026, with enactment of HB 2275 during the 2025 Session.]

Conference Committee Action

The Conference Committee agreed to remove the provisions of HB 2535 and agreed to insert the contents of SB 33, as passed by the House, and agreed to amend those contents by removing a provision providing for a change to the countywide retailers' sales tax apportionment formula beginning in 2028.

The Conference Committee further agreed to insert the countywide sales tax authority provisions for Labette County and Leavenworth County from SB 303, as passed by the Senate, and to insert the countywide sales tax authority provision for Butler County from HB 2643.

Background

The bill contains provisions from House Sub. for Sub. for SB 33, SB 303, as passed by the Senate, and HB 2643.

[*Note:* The provisions of HB 2535, concerning the crime of cruelty to animals, were enacted with the passage of HB 2413.]

House Sub. for Sub. for SB 33 (Sales Tax Apportionment)

The House Committee on Taxation recommended a substitute bill replacing the contents of SB 33 with the extension of the partial apportionment freeze and provisions substantially similar to those of HB 2377, as introduced. [*Note:* The provisions of SB 33, as passed by the Senate, related to issuance of sales tax exemption certificates for sales of custom meat processing services, were enacted in 2025 HB 2275.]

HB 2377

HB 2377 was introduced by the House Committee on Taxation at the request of Representative Hoheisel on behalf of Sedgwick County.

House Committee on Taxation. In the House Committee hearing, **proponent** testimony was provided by representatives of the Sedgwick County Board of County Commissioners and the Kansas County Commissioners Association. The proponents generally stated the component of the apportionment formula based on the amount of tax levied discourages local governments from reducing property taxes because it results in them receiving a smaller share of the sales tax collections. They stated the bill would remove this barrier to reducing property tax and allow collections to increase through the natural growth of the tax base, rather than only through growth of the budget.

Written-only proponent testimony was provided by a representative of the Kansas Association of Counties.

No other testimony was provided.

The House Committee amended the bill to remove a change to apportionment based on assessed valuation and to maintain current apportionment ratios based on property tax through December 31, 2026. [Note: The Conference Committee retained this amendment, with an update of the terminal date to 2027 that was incorporated into the substitute bill recommended by the House Committee.]

SB 303 (Countywide Sales Tax Authority)

The bill was introduced by Senator Peck.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by a Labette County Commissioner, representatives of Neosho Township Fire Department, and the Board of County Commissioners of Leavenworth County, who generally stated current funding sources are insufficient to cover recent cost increases and the bill would enable the counties to provide necessary services.

Written-only proponent testimony was provided by a representative of the Kansas Association of Counties.

No other testimony was provided.

The Senate Committee amended the bill to include:

- The contents of HB 2517, pertaining to sales tax authority for Leavenworth County [Note: The Conference Committee retained this amendment.]; and
- The provisions providing additional taxing authority for Lincoln County and Sheridan County [Note: The Conference Committee did not retain these amendments].

HB 2643 (Countywide Sales Tax Authority for Butler County)

The bill was introduced by the House Committee on Taxation at the request of Representative Blex on behalf of the Butler County Commission.

Fiscal Information

House Sub. for Sub. for SB 33 (Sales Tax Apportionment)

According to the fiscal note prepared by the Division of the Budget on HB 2377, as introduced, the Department of Revenue indicates the bill would have no state fiscal effect and would only affect local sales tax revenues.

SB 303 (Countywide Sales Tax Authority for Labette and Leavenworth Counties)

According to the fiscal notes prepared by the Division of the Budget for SB 303 and HB 2517, as introduced, the Department of Revenue indicates the bill would have no state fiscal effect and would affect only local sales tax collections in Labette and Leavenworth counties.

HB 2643 (Countywide Sales Tax Authority for Butler County)

According to the fiscal note prepared by the Division of the Budget for HB 2643, the Department of Revenue indicates the bill would have no state fiscal effect and would affect only local sales tax collections in Butler County.

Taxation; sales tax; countywide sales tax; authority; apportionment

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