

**SENATE BILL No. 360**

By Committee on Assessment and Taxation

2-4

1 AN ACT concerning sales taxation; authorizing the Sherwood  
2 improvement district to impose a sales tax; amending K.S.A. 19-2765  
3 and repealing the existing section.  
4

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

6 New Section 1. (a) The board of directors of the Sherwood  
7 improvement district, hereinafter referred to as the board, incorporated  
8 under K.S.A. 19-2753 et seq., and amendments thereto, may adopt a  
9 resolution imposing a retailers' sales tax within the boundaries of such  
10 district for the purpose of paying the costs of road and drainage  
11 improvements and maintenance within the boundaries of the district. The  
12 rate of such tax shall not exceed 1.0% and shall be in addition to the  
13 applicable aggregate amount of retailers' sales tax imposed by the state and  
14 any other jurisdictions. Such tax may be imposed notwithstanding any  
15 limitations on the aggregate amount of retailers' sales tax otherwise  
16 provided by law. The revenue from such tax shall be pledged to pay such  
17 costs or projects as specified in the board's resolution.

18 (b) (1) A public hearing shall be held prior to the adoption of any  
19 resolution by the board proposing to impose a retailers' sales tax. The  
20 board shall give notice of such public hearing at least once a week for at  
21 least three consecutive weeks in a newspaper of general circulation within  
22 the district and for a period of at least three weeks on the official website  
23 of the district. Notice shall be published as provided in this subsection at  
24 least seven days prior to the date of the hearing. The notices shall contain  
25 the following information:

- 26 (A) The time and place of the hearing;
- 27 (B) the nature of the project or projects or expenses for road and  
28 drainage improvements and maintenance within the boundaries of the  
29 district for which sales tax revenue is to be pledged;
- 30 (C) the estimated costs of such project or projects or amount of such  
31 expenses;
- 32 (D) the proposed method of financing such project or projects, if any;  
33 and
- 34 (E) the proposed rate of retailers' sales tax to be imposed by the  
35 district.

36 (2) Upon the conclusion of the public hearing, the board may adopt

1 the resolution as proposed or as modified at such hearing. The resolution  
2 shall specify the sales tax rate and the costs, expenses or projects for which  
3 the revenue from the sales tax will be used. The resolution shall be  
4 published in a newspaper of general circulation within the district at least  
5 once a week for a period of at least three weeks and on the official website  
6 of the district for a period of at least three weeks.

7 (c) If, at the conclusion of the public hearing, the board adopts a  
8 resolution to impose a retailers' sales tax, the board shall submit the  
9 resolution for approval by the qualified electors within the district. Notice  
10 of such election shall be published by the board at least once a week for  
11 three consecutive weeks in a newspaper of general circulation within the  
12 district and in the official newspaper for the county within which the  
13 district is located and for a period of at least three weeks on the website of  
14 the district. The first of such notices shall be not less than 21 days prior to  
15 the election. Such notice shall be published at least once and at least seven  
16 days prior to the date of such election. The notices shall set forth the time  
17 and place of holding the election, the rate of retailers' sales tax to be  
18 imposed by the district, and the purpose or purposes for which the retailers'  
19 sales tax revenue would be used.

20 (d) The election shall be held at the usual place of holding elections at  
21 any general election, as defined in K.S.A. 25-2502, and amendments  
22 thereto, or at a special election called for that purpose. The purpose or  
23 purposes for which the retailers' sales tax revenue would be used as  
24 specified in the resolution shall be included as a part of the ballot  
25 proposition. The proposition shall be in the form: "Shall the Sherwood  
26 improvement district be authorized to impose a retailers' sales tax, within  
27 the borders of the district, of \_%, as specified in the resolution, for  
28 purposes of paying the costs of road and drainage improvements and  
29 maintenance within the boundaries of the district?" The election shall be  
30 conducted by the officers or persons provided by law for holding elections  
31 in the county. If an election is held and the resolution is approved by a  
32 majority of the qualified electors within the district voting at such election,  
33 the board may impose such tax as provided in this section for the purpose  
34 or purposes specified in the resolution.

35 (e) If a majority of the electors voting thereon at such election fail to  
36 approve the resolution, such resolution or such resolution as modified by  
37 the board upon public notice and a hearing as provided in this section may  
38 be resubmitted to the electors under the conditions and in the manner  
39 provided in this section for submission of the resolution to the electors.

40 (f) Any increase in the rate of such tax shall be accomplished under  
41 the conditions and in the manner provided herein for the adoption and  
42 approval of such tax. The reduction or repeal of a retailers' sales tax  
43 imposed pursuant to this section may be accomplished by the adoption of a

1 resolution of the board so providing and shall not require approval by the  
2 electors within the district. All revenue received by the district from its  
3 retailers' sales tax shall be used solely for the purpose or purposes  
4 specified in the resolution imposing such tax by the board and the  
5 qualified electors of the district. If the tax imposed pursuant to this section  
6 or a portion thereof has been pledged for a specific project or projects,  
7 such tax or such portion thereof shall expire when sales tax sufficient to  
8 pay all of the costs incurred in the financing of such project or projects has  
9 been collected by retailers as determined by the secretary of revenue.

10 (g) (1) The district shall utilize the services of the state department of  
11 revenue to administer, enforce and collect the district retailers' sales tax.  
12 Except as otherwise provided, such tax shall be identical in its application  
13 and exemptions therefrom to the Kansas retailers' sales tax act, and all  
14 laws and rules and regulations of the state department of revenue relating  
15 to the Kansas retailers' sales tax act shall apply to such tax insofar as the  
16 same may be made applicable.

17 (2) The secretary of revenue is authorized to administer, enforce and  
18 collect the district retailers' sales tax approved pursuant to the provisions  
19 of this section and to adopt such rules and regulations necessary for the  
20 efficient and effective administration, enforcement and collection thereof.  
21 The director of taxation shall cause such taxes to be collected within the  
22 boundaries of the district at the same time and in the same manner as  
23 provided for the collection of the state retailers' sales tax. All moneys  
24 collected by the director of taxation pursuant to the provisions of this  
25 section shall be remitted to the state treasurer in accordance with the  
26 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
27 each such remittance, the state treasurer shall deposit the entire amount in  
28 the state treasury to the credit of the Sherwood improvement district  
29 retailers' sales tax fund, which fund is hereby established in the state  
30 treasury. Any refund due on any tax collected pursuant to this section shall  
31 be paid out of the Sherwood improvement district retailers' sales tax refund  
32 fund, which fund is hereby established in the state treasury, and  
33 reimbursement to such fund shall be made by the director of taxation from  
34 collections of the tax revenue from the district. All moneys collected  
35 pursuant to this section for the improvement district shall be remitted at  
36 least quarterly by the state treasurer to the district and as requested by the  
37 board.

38 (h) The provisions of K.S.A. 12-191, and amendments thereto,  
39 insofar as may be made applicable, shall apply to sales subject to the tax  
40 imposed pursuant to this section, including the notice required to be  
41 provided to the director of taxation and the effective date for such tax.

42 (i) Any retailers' sales tax imposed by the Sherwood improvement  
43 district shall terminate if the improvement district is abolished pursuant to

1 the provisions of K.S.A. 19-2786d, and amendments thereto, and the  
2 annexing or incorporating city shall assume any debts, liabilities or  
3 obligations financed by such tax.

4 New Sec. 2. No suit to set aside the authorization of the Sherwood  
5 improvement district retailers' sales tax pursuant to section 1, and  
6 amendments thereto, shall be brought after the expiration of 30 days from  
7 the date of certification of canvass of the votes at an election that  
8 authorizes the imposition of such tax.

9 New Sec. 3. The secretary of revenue, in connection with the  
10 Sherwood improvement district retailers' sales tax, if authorized and  
11 imposed pursuant to the provisions of section 1, and amendments thereto,  
12 and where revenues from such district retailers' sales tax are pledged or  
13 otherwise intended to be used in whole or in part for the payment of bonds  
14 issued to finance project costs in such district for which a district sales tax  
15 has been imposed, shall provide reports identifying each retailer having a  
16 place of business in such district, setting forth the tax liability and the  
17 amount of such tax remitted by each retailer during the preceding month  
18 and identifying each business location maintained by the retailer within the  
19 district. Such report shall be made available to the bond trustee, escrow  
20 agent or paying agent for such bonds within a reasonable time after it has  
21 been requested from the director of taxation. The bond trustee, escrow  
22 agent or paying agent shall keep such district retailers' sales tax returns and  
23 the information contained therein confidential, but may use such  
24 information for purposes of allocating and depositing such district retailers'  
25 sales tax revenues in connection with the bonds used to finance the costs  
26 of the project in the district. Except as otherwise provided, the district  
27 retailers' sales tax returns received by the bond trustee, escrow agent or  
28 paying agent shall be subject to the confidentiality requirement provisions  
29 of K.S.A. 79-3614, and amendments thereto.

30 Sec. 4. K.S.A. 19-2765 is hereby amended to read as follows: 19-  
31 2765. Every improvement district incorporated under K.S.A. 19-2753 et  
32 seq., and amendments thereto, shall have the power to:

- 33 (a) Adopt a seal.
- 34 (b) Be sued and to sue by its corporate name.
- 35 (c) Adopt resolutions prescribing the manner in which the powers of  
36 the district shall be carried out, and generally regulating the affairs of the  
37 district.
- 38 (d) Plan and construct or to purchase public works and improvements  
39 necessary for public health, recreation, convenience or welfare within the  
40 limits of the improvement district. Also to construct or purchase works  
41 outside the limits of the district which may be necessary to secure outlets,  
42 disposal, etc., and permit satisfactory performance of the works within the  
43 district.

1 (e) Purchase, hold, sell and convey real estate and other property.

2 (f) Take private property for public use by exercise of the right of  
3 eminent domain as provided by law.

4 (g) (1) Annually levy and collect a general tax not exceeding five  
5 mills on all taxable tangible property within the district, to create a general  
6 fund. Unless consented to in writing by the owners of at least 90% of the  
7 total area of land in the improvement district, no such levy shall be made  
8 by any improvement district where the density of population thereof, as  
9 determined by the county clerk of the county in which the district is  
10 located, on the basis of the assessment rolls for the last assessment made  
11 for the county, does not exceed one resident for each five acres of land,  
12 including platted land and unplatted land, located within the district.

13 (2) In addition to the levy authorized pursuant to *paragraph* (1), any  
14 improvement district located in McPherson county may levy and collect  
15 annually a tax not exceeding 20 mills on all taxable tangible property  
16 within the district to create a fund to provide street lights in the district.

17 (3) In lieu of the levy authorized under *paragraph* (1), any  
18 improvement district located in a county having a population of more than  
19 150,000 and less than 180,000 and having an assessed taxable tangible  
20 valuation in such district of more than \$300,000, may levy and collect  
21 annually a tax not exceeding 15 mills on all taxable tangible property  
22 within the district to provide moneys for the general fund and, in addition,  
23 may annually levy and collect a tax of not to exceed seven mills on all  
24 taxable tangible property within the district to provide moneys for law  
25 enforcement and fire protection for all property located within the district,  
26 if, in either case, 51% of the qualified electors of the improvement district,  
27 as determined and verified by the board of directors of the district, shall  
28 petition the directors requesting that such levies be made.

29 (4) Any improvement district may annually levy and collect a general  
30 tax not exceeding six mills on all taxable tangible property within the  
31 district to create a general fund, but no levy in excess of five mills may be  
32 made unless the board of directors of such improvement district has  
33 published a resolution authorizing a levy in excess of five mills once each  
34 week for three consecutive weeks in a newspaper of general circulation  
35 within the district. If within 30 days after the last publication of such  
36 resolution, a petition protesting such levy, signed by qualified electors of  
37 the improvement district equal in number to not less than 10% of the  
38 electors voting at the last improvement district election for directors, is  
39 filed with the county clerk of the county in which such improvement  
40 district is located, no levy in excess of five mills may be made. If no  
41 petition protesting the levy in excess of five mills is filed within the  
42 prescribed time, the improvement district may, annually thereafter, levy  
43 such general tax not exceeding six mills.

1 (h) Levy assessments and special taxes, if deemed expedient by the  
2 directors, upon all of the real estate in the district that may be benefited by  
3 special works and improvements including the improvement and  
4 maintenance of roads in the district, which will be conducive to the public  
5 health, convenience or welfare.

6 (i) Authorize the issuance of bonds to pay the cost of constructing  
7 public works and improvements that will benefit all property located  
8 within the district and be conducive to the public health, convenience, or  
9 welfare and be beneficial to all of the inhabitants of the district. No such  
10 bonds shall be issued unless consented to in writing by the owners of all of  
11 the land in the improvement district or until authorized by a vote of the  
12 taxpayers as hereinafter provided. The total amount of such bonds  
13 outstanding shall not, unless consented to in writing by the owners of all of  
14 the land in the improvement district, exceed 25% of the assessed valuation  
15 of the district as shown by latest assessment rolls. Unless consented to in  
16 writing by the owners of at least 90% of the total area of land in the  
17 improvement district, no such bonds shall be issued for the payment of the  
18 cost of any improvement within any improvement district where the  
19 density of population thereof, as determined by the county clerk of the  
20 county in which the district is located, on the basis of the assessment rolls  
21 for the last assessment made for the county does not exceed one resident  
22 for each five acres of land, including platted land and unplatted land,  
23 located within the district. Any improvement district having a population  
24 of more than 2,000 and an assessed taxable tangible valuation of more than  
25 \$2,000,000 and located within a county having a population of more than  
26 300,000 is hereby authorized to issue revenue bonds the proceeds of which  
27 shall be used only to purchase, construct, reconstruct, equip, maintain or  
28 repair buildings and to acquire sites therefor, and to enlarge or remodel  
29 such buildings and equip the same for the purposes set out in and pursuant  
30 to the provisions of K.S.A. 12-1740 et seq., and amendments thereto.

31 (j) Contract with other improvement districts or with other public  
32 corporations for cooperation or joint action in the construction of public  
33 works or improvements. Also to contract for and receive aid, contributions  
34 and loans from the United States government or any agency thereof.

35 (k) Establish by resolution of the board of directors reasonable rates  
36 on charges for the use of the sewage disposal system of the district and  
37 provide for the manner of the making and collection of the same. "Sewage  
38 disposal system" for the purposes of this act shall include the system of  
39 sewers and the sewage disposal plant of the district.

40 (l) Make all contracts and do all other acts in relation to the affairs of  
41 the district necessary to the proper exercise of its corporate legislative or  
42 administrative powers and to the accomplishment of the purpose of its  
43 organization.

1 (m) Purchase or acquire outdoor emergency warning sirens.

2 (n) Employ any person necessary to carry out the provisions of this  
3 act.

4 (o) Secure the general health of the district by the adoption of  
5 resolutions to prevent, abate and remove nuisances. The secretary of the  
6 board of directors shall send a notice to the owner of the property to  
7 remove or abate such nuisance within a period of time not to exceed 10  
8 days. If the owner fails to remove or abate the nuisance within the time  
9 specified the board may provide for the removal or abatement of the  
10 nuisance and provide for the assessment of the cost of abating or removing  
11 such nuisance against the property upon which the same is located or  
12 maintained. Such assessments shall be certified by the secretary of the  
13 board of directors of the district to the county clerk of the county in which  
14 the property is located, to be placed upon the tax roll for collection at the  
15 same time and in the same manner as ad valorem property tax levies are  
16 collected and shall be subject to the same penalties and the same procedure  
17 for collection as is prescribed by law for the collection of such ad valorem  
18 property taxes. Any unpaid costs assessed pursuant to this subsection shall  
19 become a lien upon the property from the date of assessment thereof.

20 (p) Secure the health of the district by the adoption of resolutions  
21 requiring the removal or destruction of grass, weeds or other vegetation  
22 from any lot or parcel of land located within the district. The secretary of  
23 the board of directors shall send notice to the owner of the property to  
24 remove the grass, weeds or vegetation within a period of time not to  
25 exceed 10 days. If the owner fails to remove the grass, weeds or vegetation  
26 within the time specified, the board may provide for the removal thereof  
27 and assess the cost of removal against the property on which the same was  
28 located. Such assessments shall be certified by the secretary of the board  
29 of directors of the district to the county clerk of the county in which the  
30 property is located, to be placed upon the tax roll for collection at the same  
31 time and in the same manner as ad valorem property tax levies are  
32 collected and shall be subject to the same penalties and the same procedure  
33 for collection as is prescribed by law for the collection of such ad valorem  
34 property taxes. Any unpaid costs assessed pursuant to this subsection shall  
35 become a lien upon the property from the date of assessment thereof.

36 (q) Adopt resolutions regulating and prohibiting the running at large  
37 of domestic animals.

38 (r) Adopt resolutions for the preservation of the peace and order of  
39 the district and to prevent injury, destruction or interference with public or  
40 private property.

41 (s) Adopt resolutions providing for the assessment of unpaid bills or  
42 charges for utility services provided by the district against the property  
43 receiving the service. Such assessments shall be certified by the secretary

1 of the board of directors of the district to the county clerk of the county in  
2 which the property is located, to be placed upon the tax roll for collection  
3 at the same time and in the same manner as ad valorem property tax levies  
4 are collected and shall be subject to the same penalties and the same  
5 procedure for collection as is prescribed by law for the collection of such  
6 ad valorem property taxes. Any unpaid costs assessed pursuant to this  
7 subsection shall become a lien upon the property from the date of  
8 assessment thereof.

9 (t) Take any other action necessary to carry out and execute the  
10 general powers granted by this section.

11 (u) *The Sherwood improvement district may impose a retailers' sales*  
12 *tax within the borders of the district as permitted by and pursuant to the*  
13 *provisions of section 1, and amendments thereto. By resolution, the board*  
14 *of directors of the district may issue bonds for the purposes permitted by*  
15 *section 1, and amendment thereto, to be paid, in whole or in part, by such*  
16 *district retailers' sales tax revenues. The provisions of K.S.A. 19-2767, and*  
17 *amendments thereto, shall apply insofar as applicable. Any such bonds not*  
18 *proposed in the board's resolution imposing the district retailers' sales tax*  
19 *shall only be issued upon: (1) A public hearing after notice of the hearing*  
20 *and proposed bond issuance by one publication in a newspaper of general*  
21 *circulation within the district and on the district's official website, at least*  
22 *five days before the day fixed for the hearing; and (2) authorization by a*  
23 *majority of the qualified electors of the district voting at an election for*  
24 *such purpose. Proper notice shall be provided for such election, which*  
25 *shall be called and held in the manner provided for the giving of notice,*  
26 *calling and holding of an election under K.S.A. 19-2768, and amendments*  
27 *thereto. The election notice and ballot shall contain all information*  
28 *required for an order calling for an election by K.S.A. 19-2768, and*  
29 *amendments thereto.*

30 Sec. 5. K.S.A. 19-2765 is hereby repealed.

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