

Senate Substitute for HOUSE BILL No. 2239

AN ACT concerning taxation; relating to income tax; establishing a checkoff for contributions to the Kansas historic site fund; establishing the salt parity act to allow pass-through entities to elect to pay state income tax at the entity level; providing a credit for contributions to community colleges and technical colleges; providing tax credits for graduates of aerospace and aviation-related educational programs and employers of program graduates; providing a tax credit for school and classroom supplies purchased by teachers; providing homestead property tax refunds from the income tax refund fund to certain persons based on the increase in property tax over the base year property tax amount; expanding eligibility, amount and transferability of the research and development tax credit; providing a credit for qualified railroad track maintenance expenditures of short line railroads and associated rail siding owners or lessees; providing for an additional personal exemption for 100% disabled veterans; relating to property tax; establishing a revenue neutral rate complaint process for tax levies; authorizing the county clerk to limit the amount of ad valorem taxes to be levied in certain circumstances; establishing a deadline for budgets to be filed with the director of accounts and reports; requiring roll call votes and publication of information; relating to classification and valuation; classifying certain agritourism activities and zoos as land devoted to agricultural use; classifying land devoted to agriculture that is subject to the federal grassland conservation reserve program as grassland; establishing a property tax exemption for antique utility trailers; allowing for the proration of value when certain personal property is acquired or sold prior to September 1 of any tax year; providing for the exemption of inventory and work-in-progress machinery and equipment for telecommunications machinery and equipment; increasing the extent of exemption for residential property from the statewide school levy; providing for abatement or credit of property tax for buildings and improvements destroyed or substantially destroyed by natural disaster; relating to sales and compensating use tax; providing an exemption for certain fencing and for reconstructing, repairing or replacing certain fencing damaged or destroyed by a wildfire, flood, tornado or other natural disaster; excluding separately stated delivery charges from sales or selling price; removing the expiration on manufacturer cash rebates on motor vehicles; providing countywide retailers' sales tax authority for Wilson county; requiring disclosure of distribution of revenues on countywide retailers' sales tax ballot proposals; validating the election held to approve a retailers' sales tax levy by the city of Latham; relating to rural opportunity zones; extending the time period for eligibility in the loan repayment program and the income tax credit; enacting the Gage park improvement authority act; providing for the creation of the Gage park improvement authority; permitting a sales tax within the boundaries of Shawnee county; amending K.S.A. 79-224, 79-1476, 79-1613, 79-2930, 79-3220, 79-32,111, 79-32,121, 79-32,182b, 79-32,261, 79-3606d, 79-4502, 79-4508 and 79-4509 and K.S.A. 2021 Supp. 12-187, 12-189, 12-192, 74-50,223, 79-201x, 79-2988, 79-32,267 and 79-3602 and repealing the existing sections.

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

New Section 1. (a) Sections 1 through 6, and amendments thereto, shall be known and may be cited as the salt parity act.

(b) The legislature finds and declares that the deductibility of state income taxes should be the same for C corporations, S corporations and partnerships.

(c) The provisions of this act shall be a part of and supplemental to the Kansas income tax act.

New Sec. 2. As used in sections 1 through 6, and amendments thereto, unless the context otherwise requires:

(a) "Act" means the provisions of sections 1 through 6, and amendments thereto.

(b) "C corporation" means a corporation other than an S corporation.

(c) "Electing pass-through entity" means, with respect to a taxable period, an S corporation or partnership that has made the election under section 3, and amendments thereto, with respect to the taxable period.

(d) "Electing pass-through entity owner" means, with respect to an S corporation, a shareholder of the S corporation and, with respect to a partnership, a partner in the partnership, except that a partner does not include a C corporation.

(e) "Income attributable to the state" means, with respect to an S corporation or partnership, the portion of the items of income, gain, loss or deduction of the S corporation or partnership apportioned or allocated to this state in accordance with the provisions of K.S.A. 79-3271 through 79-3293b, and amendments thereto.

(f) "Income not attributable to the state" means all items of income, gain, loss or deduction of an electing pass-through entity other than income attributable to the state.

(g) "S corporation" means a corporation having an election in effect under subchapter S of the federal internal revenue code.

(h) "Taxable period" means any taxable year or portion of a taxable year during which a corporation is an S corporation or a noncorporate entity is a partnership.

New Sec. 3. Notwithstanding K.S.A. 79-32,129 and 79-32,139, and amendments thereto, and except as provided in subsection (b), for taxable years commencing on or after January 1, 2022, an S corporation or partnership may annually elect to be subject to tax at the entity level for the taxable period. The S corporation or partnership shall make the election on the return filed by such S corporation or partnership under K.S.A. 79-3220 and 79-3221, and amendments thereto. The filing of such return shall be binding on all electing pass-through entity owners.

New Sec. 4. (a) With respect to any taxable period for which it has made the election under section 3, and amendments thereto, an electing pass-through entity shall be subject to a tax in an amount equal to 5.7% of the sum of each resident electing pass-through entity owner's distributive share of the electing pass-through entity's income and each nonresident electing pass-through entity owner's distributive share of income attributable to the state, all as determined pursuant to K.S.A. 79-32,130, 79-32,131, 79-32,133 and 79-32,139, and amendments thereto.

(b) An electing pass-through entity shall be treated as a corporation under K.S.A. 79-32,101, and amendments thereto, with respect to the tax imposed under this act, except that K.S.A. 79-32,107, and amendments thereto, shall not apply during the first taxable period for which this act is applicable.

(c) Any credit allowed pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, except K.S.A. 79-32,111(a), and amendments thereto, that is attributable to the activities of an electing pass-through entity in the taxable year shall be claimed by the entity and not passed through to or claimed by the electing pass-through entity owner only for taxable periods when the election is allowed and made by an electing pass-through entity under section 3, and amendments thereto. Notwithstanding any provision to the contrary in article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, any excess income tax credit, net operating loss or other modification may be carried forward on the electing pass-through entity's return but may only be utilized in a year in which the electing pass-through entity has made the election allowed in section 3, and amendments thereto, except that any limitation specified in the specific section for an income tax credit, the net operating loss or any other modification shall apply to the electing pass-through entity. If in a taxable period subsequent to a period in which an election under section 3, and amendments thereto, was made, an election under section 3, and amendments thereto, is not allowed or not made by an electing pass-through entity, any excess income tax credits may be transferred to the electing pass-through entity owners. Any excess income tax credits shall be available to each electing pass-through owner in the same proportion and manner as would have applied without the election under section 3, and amendments thereto, for the taxable period in which each respective income tax credit was generated. All other rights and obligations pertaining to the excess income tax credits shall be transferred to the electing pass-through entity owners.

(d) The provisions of article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, regarding the collection, administration and enforcement of tax shall be applicable to the tax due under this section, and notwithstanding the provisions of K.S.A. 79-32,129 and 79-32,139, and amendments thereto, an electing pass-through entity shall be a taxpayer.

New Sec. 5. (a) Notwithstanding K.S.A. 79-32,129 and 79-32,139, and amendments thereto, electing pass-through entity owners shall not be liable for the tax under this act in their separate or individual capacities. Electing pass-through entity owners subject to Kansas individual income tax shall be entitled to a credit against the tax

imposed under K.S.A. 79-32,110, and amendments thereto. The credit shall be equal to the electing pass-through entity owner's direct share of the tax imposed under section 3, and amendments thereto. Subsequent to the application of all other credits allowed, if any excess credit exists, such amount shall be refundable to the electing pass-through entity owner. The credit allowed to an electing pass-through entity owner under this subsection shall not exceed the direct share of pass-through entity tax reported by such pass-through entity.

(b) Notwithstanding the provisions of this act, the basis in the hands of an electing pass-through entity owner in the interest in the partnership or the stock or indebtedness in the S corporation shall be determined as if the election under section 3, and amendments thereto, had not been made.

New Sec. 6. The secretary of revenue may adopt rules and regulations to require or permit an electing pass-through entity to make returns, set forth information or furnish copies of information as may be deemed necessary to carry out the provisions of this act. The secretary of revenue may adopt such other rules and regulations as may be deemed necessary or expedient in enforcing the provisions of this act.

New Sec. 7. (a) For all tax years commencing after December 31, 2022, each Kansas state individual income tax return form shall contain a designation as follows:

Kansas Historic Site Fund. Check if you wish to donate, in addition to your tax liability, or designate from your refund, \_\_\_\$1, \_\_\_\$5, \_\_\_\$10 or \$\_\_\_\_\_ to historic site number \_\_\_\_\_.

(b) For purposes of administration of this section, the director of taxation of the department of revenue shall assign a historic site number to all state-owned historic sites administered by the Kansas state historical society in order for a taxpayer to choose the historic site that will receive the donation. The instructions accompanying the individual income tax return shall include a brief description of all state-owned historic sites administered by the Kansas state historical society and identify each historic site number assigned for purposes of a contribution pursuant to this section.

(c) The director of taxation of the department of revenue shall determine annually the total amount designated for contribution to the Kansas historic site fund pursuant to subsection (a) and shall report such amount to the state treasurer, who shall credit the entire amount thereof to the Kansas historic site fund. Such fund is hereby established in the state treasury and shall be administered by the department of revenue. In the case where donations are made pursuant to subsection (a), the director shall remit the entire amount thereof to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas historic site fund. All moneys deposited in such fund shall be distributed to the historic sites in accordance with the selections of taxpayers and shall be used for the purpose of the operation, maintenance and preservation of such sites. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of revenue or the secretary's designee.

New Sec. 8. (a) (1) The following described property, to the extent herein specified, is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas: Any antique utility trailer registered pursuant to K.S.A. 8-1,119, and amendments thereto, used exclusively for personal use and not for the production of income.

(2) The term "antique utility trailer" includes only those trailers:

(A) 35 years or older as determined by the date of manufacture; and

(B) having an empty weight of 2,000 pounds or less and a gross weight of not more than 8,000 pounds.

(b) The provisions of this section shall apply to all taxable years commencing after December 31, 2022.

New Sec. 9. (a) The value for property tax purposes of any tangible personal property classified for property tax purposes within subclass (6) of class 2 of section 1 of article 11 of the constitution of the state of Kansas that is acquired or sold after January 1 and prior to September 1 of any taxable year shall be equal to the value determined therefor pursuant to K.S.A. 79-1456, and amendments thereto, multiplied by: (1) In the case of a sale, a fraction, the numerator of which is the number of months, or major portion thereof, such property was owned by the record owner thereof during the taxable year in which such property was sold and the denominator of which is 12; and (2) in the case of an acquisition, a fraction, the numerator of which is the number of months, or major portion thereof, remaining in the taxable year after the date of acquisition by the record owner thereof and the denominator of which is 12.

(b) Notice of the acquisition or sale of any such property shall be provided by the record owner thereof to the appropriate county appraiser on or before December 20 of the year of such acquisition or sale. Upon receipt of such notice, and after computation of the value of any such property in accordance with the provision of subsection (a), a notification or revised notification of value shall be mailed to the taxpayer.

(c) Except as provided in subsection (a), tangible personal property classified for property tax purposes within subclass (6) of class 2 of section 1 of article 11 of the constitution of the state of Kansas acquired on or after September 1 of a taxable year shall not be subject to assessment and taxation for such year.

(d) The provisions of this section shall apply to all taxable years commencing after December 31, 2022.

New Sec. 10. As used in sections 10 through 13, and amendments thereto:

(a) "Aerospace" means relating to vehicles or objects for the purpose of suborbital, orbital or space flight, whether for private or public, or civil or defense-related purposes.

(b) "Aviation" means relating to vehicles or objects, except parachutes, for the purpose of controlled flight through the air, regardless of how propelled or controlled, or whether manned or unmanned, whether for private or public, or civil or defense-related purposes.

(c) "Aviation sector" means a private or public organization engaged in the manufacture of aviation or aerospace hardware or software, aviation or aerospace maintenance, aviation or aerospace repair and overhaul, supply of parts to the aviation or aerospace industry, provision of services and support relating to the aviation or aerospace industry, research and development of aviation or aerospace technology and systems, and the education and training of aviation or aerospace personnel.

(d) "Compensation" means payments in the form of contract labor for which the payor is required to provide a federal tax form 1099 to the person paid, wages subject to withholding tax paid to a part-time employee or full-time employee, or salary or other remuneration. "Compensation" does not include employer-provided retirement, medical or healthcare benefits, reimbursement for travel, meals, lodging or any other expense.

(e) "Institution" means a state educational institution, municipal university, institute of technology, community college or technical college, as those terms are defined in K.S.A. 74-3201b, and amendments thereto, or an educational institution, municipal university, institute of technology, community college or technical college within the meaning of those terms as defined in K.S.A. 74-3201b, and amendments thereto, but located in or established under the laws of another state or any other public or private college or university that is accredited by a regional accrediting body, the engineering accreditation

commission of the accreditation board for engineering and technology (ABET) or the federal aviation administration.

(f) "Qualified employee" means any person newly employed on a full-time basis by or first contracting with a qualified employer on a full-time basis on or after January 1, 2022, who has been awarded an undergraduate or graduate degree, or a technical degree or certificate from a qualified program by an institution.

(g) "Qualified employer" means a sole proprietorship, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity or public entity whose principal business activity involves the aviation sector.

(h) "Qualified program" means: (1) A program that has been accredited by the engineering accreditation commission of the accreditation board for engineering and technology (ABET), the federal aviation administration or a regional accrediting body and that awards an undergraduate or graduate degree; or (2) a program within the meaning of an associate of applied science degree program or career technical education program, within the meaning of those programs as defined in K.S.A. 74-32,407, and amendments thereto, whether a state or out-of-state program that results in the awarding of a degree or certificate that prepares the graduate for gainful employment with a qualified employer.

(i) "Tuition" means the amount paid for enrollment, program specific course fees and instruction in a qualified program that includes both amounts paid during participation in a qualified program or tuition debt upon completion of a qualified program. "Tuition" does not include the cost of books, fees, other than program specific course fees, or room and board.

New Sec. 11. (a) For taxable years beginning after December 31, 2021, a taxpayer who is a qualified employer subject to the tax imposed under the provisions of the Kansas income tax act shall be allowed a credit against the tax for tuition reimbursed to a qualified employee.

(b) The credit may be claimed only if the qualified employee has been awarded an undergraduate or graduate degree, or technical degree or certificate from a qualified program within one year prior to or following the commencement of employment with a qualified employer and may be claimed each year thereafter that the qualified employee remains employed up to the fourth year of employment.

(c) The credit shall be in an amount equal to 50% of the tuition reimbursed during the taxable year for which the credit is claimed to a qualified employee, except that in no event shall the credit exceed 50% of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program, as determined by the secretary of revenue.

(d) The credit shall be applied against the taxpayer's income tax liability after all other credits allowed under the income tax act. The credit shall not be refundable and may not be carried forward.

New Sec. 12. (a) For taxable years beginning after December 31, 2021, a taxpayer who is a qualified employer subject to the tax imposed under the provisions of the Kansas income tax act shall be allowed a credit against the tax for compensation paid during the taxable year to a qualified employee in the first through fifth consecutive years of employment. Except as otherwise provided, the credit shall be in an amount equal to 10% of the compensation paid.

(b) The credit shall not exceed \$15,000 annually for each qualified employee.

(c) The credit shall be applied against the taxpayer's income tax liability after all other credits allowed under the income tax act. The credit shall not be refundable and may not be carried forward.

(d) No credit shall be claimed for compensation paid to a qualified employee after the fifth year of employment of the qualified employee.

New Sec. 13. (a) For taxable years beginning after December 31, 2021, a taxpayer who becomes a qualified employee during the taxable year shall be allowed a credit against the tax imposed under the

provisions of the Kansas income tax act in an amount equal to \$5,000. The credit shall be deducted from the taxpayer's income tax liability for the taxable year in which the taxpayer is or has been a qualified employee and may be claimed each year the taxpayer achieves the status of a qualified employee for the four taxable years succeeding the taxable year in which the credit was first allowed.

(b) If the amount of the credit allowed a qualified employee is greater than the qualified employee's income tax liability for the taxable year in which the credit is allowed, the amount of the credit which exceeds the tax liability may be carried over for deduction from the qualified employee's income tax liability in the next succeeding taxable year or years, except that the tax credit may not be carried over for deduction after the fourth taxable year succeeding the taxable year in which the credit was first allowed.

New Sec. 14. (a) The secretary of revenue may adopt rules and regulations necessary or convenient for the implementation and administration of sections 10 through 13, and amendments thereto.

(b) The secretary of revenue shall annually submit a written report to the house committee on appropriations and to the senate committee on ways and means beginning with the 2023 legislative session. The report shall contain information regarding the cost and effectiveness of the tax credit program described in sections 10 through 13, and amendments thereto. The secretary also may include in the report any recommendations for changes to law necessary to implement sections 10 through 13, and amendments thereto.

New Sec. 15. No new credits shall be issued or may be earned under the provisions of sections 10 through 13, and amendments thereto, after December 31, 2026.

New Sec. 16. For tax year 2022, and all tax years thereafter, there shall be allowed a credit against the tax liability of a qualified taxpayer imposed under the Kansas income tax act in an amount equal to the expenditures made by the taxpayer for school and classroom supplies during the taxable year. The amount of the credit allowed each taxable year under this section shall not exceed \$250. As used in this section, a "qualified taxpayer" means an individual who is a Kansas resident and is employed as a public or private school teacher.

New Sec. 17. (a) For tax year 2022, and all tax years thereafter, the amount of any claim pursuant to this section shall be computed by deducting the claimant's base year ad valorem tax amount for the homestead from the claimant's homestead ad valorem tax amount for the tax year for which the refund is sought.

(b) As used in this section:

(1) "Base year" means the year in which an individual becomes an eligible claimant and who is also eligible for a claim for refund pursuant to this section. For any individual who would otherwise be an eligible claimant prior to 2021, such base year shall be deemed to be 2021 for the purposes of this act.

(2) "Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (A) A person who is 65 years of age or older; or (B) a disabled veteran. The surviving spouse of a person 65 years of age or older or a disabled veteran who was receiving benefits pursuant to this section at the time of the claimant's death shall be eligible to continue to receive benefits until such time the surviving spouse remarries.

(c) A claimant shall only be eligible for a claim for refund under this section if:

(1) The claimant's household income for the year in which the claim is filed is \$50,000 or less; and

(2) the appraised value of the claimant's homestead for the base year is \$350,000 or less.

The provisions of K.S.A. 79-4522, and amendments thereto, shall

not apply to a claim pursuant to this section. In the case of all tax years commencing after December 31, 2022, the upper limit household income threshold amount prescribed in this subsection shall be increased by an amount equal to such threshold amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(d) A taxpayer shall not be eligible for a homestead property tax refund claim pursuant to this section if such taxpayer has received for such property for such tax year either: (1) A homestead property tax refund pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the selective assistance for effective senior relief (SAFESR) credit pursuant to K.S.A. 79-32,263, and amendments thereto.

(e) The amount of any claim shall be computed to the nearest \$1.

(f) The provisions of this section shall be a part of and supplemental to the homestead property tax refund act.

New Sec. 18. (a) For taxable years 2022 through 2031, there shall be allowed a credit against the tax liability imposed under the Kansas income tax act in an amount equal to 50% of an eligible taxpayer's qualified railroad track maintenance expenditures paid or incurred during the taxable year.

(b) The amount of the credit allowed each taxable year under this section shall not exceed the product of \$5,000 and the number of miles of railroad track owned or leased within the state of Kansas by the eligible taxpayer as of the close of the taxable year. For rail siding located on or adjacent to a class II or class III railroad in the state of Kansas, the amount of the credit allowed for each taxable year under this section shall not exceed \$5,000 per rail siding owned or leased within the state of Kansas by the eligible taxpayer as of the close of the taxable year. A mile of railroad track may be taken into account only once in each taxable year. The total amount of credits allowed under this section for each taxable year shall not exceed \$8,720,000.

(c) The credits allowed pursuant to this section that are not used by the eligible taxpayer are transferable by written agreement from the eligible taxpayer to any eligible customer or eligible vendor at any time during the five years immediately following the taxable year for which the credits were allowed. The eligible taxpayer originally allowed the credit and the subsequent transferee must jointly file a copy of the written transfer agreement with the Kansas department of revenue within 30 days of the transfer. The written agreement must contain the name, address and taxpayer identification number of the parties to the transfer, the amount of unused credit being transferred, the taxable year the credit was originally allowed to the eligible taxpayer and the taxable year or years for which the credit may be claimed. The eligible taxpayer and subsequent transferee shall also provide any information pertaining to the transfer as may be required by the secretary of revenue to administer and carry out the provisions of this section.

(d) Any unused credit amounts may be carried forward for up to five taxable years immediately following the taxable year for which the credits were allowed. The credit shall not be refundable.

(e) As used in this section:

(1) (A) "Eligible customer" means a business that:

(i) Uses class II or class III short line railroads or railroad-related property, facilities or structures located wholly or partly within the state of Kansas to directly or indirectly transport property, commodities or goods;

(ii) is served by a class II or class III short line railroad; or

(iii) stores railcars on the class II or class III short line railroad.

(B) "Eligible customer" does not include a class I railroad, as defined in 49 C.F.R. § 1201.1-1(a), as in effect on January 1, 2022.

(2) "Eligible taxpayer" means:

(A) Any railroad subject to the Kansas income tax act that is classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. § 1201.1-1(a), as in effect

on January 1, 2022; or

(B) any owner or lessee of rail siding located on or adjacent to a class II or class III railroad in the state of Kansas.

(3) (A) "Eligible vendor" means a person who provides railroad-related services directly to an eligible taxpayer. "Railroad-related services" includes, but is not limited to: Transport of freight by rail; loading and unloading of freight transported by rail; railroad bridge services; railroad track construction; provision of railroad track material or equipment; locomotive or freight train car leasing or rental; maintenance of a railroad's right-of-way, including vegetation control; and freight train car repair, rehabilitation or remanufacturing repair services.

(B) "Eligible vendor" does not include a class I railroad, as defined in 49 C.F.R. § 1201.1-1(a), as in effect on January 1, 2022.

(4) (A) "Qualified railroad track maintenance expenditures" means gross expenditures for maintenance, reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and side track, and related track structures to the extent the expenditures are on track located in the state of Kansas and the track was owned or leased by an eligible taxpayer as of January 1, 2022.

(B) "Qualified railroad track maintenance expenditures" does not include expenditures used to generate a federal tax credit or expenditures funded by a state or federal grant.

(f) The secretary of revenue shall annually certify the tax credit amount allowed for each eligible taxpayer. The secretary of revenue may adopt rules and regulations necessary to administer the provisions of this section.

(g) The secretary of transportation may adopt rules and regulations to permit verification of the eligibility of an eligible taxpayer's expenditures for purposes of the credit.

New Sec. 19. The result of an election that was held on November 2, 2021, for the approval of levying a city retailers' sales tax of 0.5% for the purpose of providing an adequate level of public services to be levied by the city of Latham, in Butler county, in accordance with K.S.A. 12-187, and amendments thereto, and notice of which was first published 20 days prior to the election, instead of 21 days prior to the election, is hereby validated. The city of Latham may levy the tax in the amount and for the purpose approved by the voters at the election, and the department of revenue shall administer and collect such tax as provided in K.S.A. 12-189, and amendments thereto.

New Sec. 20. (a) Sections 20 through 27, and amendments thereto, shall be known and may be cited as the Gage park improvement authority act.

(b) The powers conferred by this act are for public uses, public recreation and economic development purposes or purposes for which public moneys may be expended.

(c) The powers granted pursuant to this act shall be in addition to any other powers provided by law.

New Sec. 21. As used in sections 20 through 27, and amendments thereto:

(a) "Act" means the Gage park improvement authority act, sections 20 through 27, and amendments thereto.

(b) "Authority" means the Gage park improvement authority established by this act.

(c) "Board," "county clerk" and "county treasurer" mean, respectively, the board of county commissioners, the county clerk and the county treasurer of Shawnee county.

(d) "County" means Shawnee county.

(e) "Eligible recreational facilities" means:

(1) Gage park and all existing and future Gage park facilities, including, but not limited to, the mini train, carousel and Blaisdell aquatic center;

(2) the Topeka zoo and conservation center and all existing and future Topeka zoo facilities; and



(3) the Kansas children's discovery center and all existing and future Kansas children's discovery center facilities.

(f) "Gage park" means Gage park in the city of Topeka in Shawnee county.

(g) "Gage park improvement authority sales tax" means the sales tax authorized by this act.

New Sec. 22. (a) (1) Upon the approval of the electors as provided by this act, the board of county commissioners of Shawnee county may authorize the imposition of a sales tax on all retail sales made within Shawnee county for the sole purpose of funding the acquisition, construction, improvement, equipping, operation, support, maintenance and development of the eligible recreational facilities within the county and the creation of the Gage park improvement authority to administer the proceeds of the sales tax for such purposes. The sales tax may be imposed in increments of 0.05%, except that such sales tax imposed shall not be less than 0.2% and shall not exceed 0.5%.

(2) The board of county commissioners shall determine a time for a hearing upon the question of whether there shall be the creation of a Gage park improvement authority and the imposition of a sales tax. The county clerk shall give notice of the hearing for three consecutive weeks on the county website and in a newspaper of general circulation within the county. The last publication of such notice shall be at least five days before the day of the hearing. The notice shall include a statement that the hearing is to consider the creation of a Gage park improvement authority and the imposition of a sales tax as authorized by this act. Such notice shall also provide the rate of the sales tax proposed and information that a hearing will be held by the board, including the day and the hour of the hearing and that all persons interested may appear and be heard at the hearing before the board.

(3) If, after the hearing, the board of county commissioners determines that the interests of the people of the county will be advanced by the creation of the Gage park improvement authority and the imposition of the sales tax, the board shall adopt a resolution proposing the creation of the authority and the imposition of the sales tax at the rate determined by the board for submission to the electors of the county as provided by subsection (c). The resolution shall become effective upon adoption by a majority of the electors of the county.

(b) A petition requesting the creation of the Gage park improvement authority and the imposition of the sales tax described by subsection (a)(1) within the county may be presented to the board of county commissioners. The petition shall be signed by not less than the number of qualified electors of Shawnee county equal to 5% of the electors of the county who voted at the last preceding regular county election. The petition shall be filed with the Shawnee county election office at least 60 days prior to the date of an election in an even-numbered year. Upon receipt of the petition with the required number of signatures of qualified electors, the board shall cause an election to be held as provided by subsection (c). The petition shall become effective upon submission to and adoption by a majority of the electors of the county.

(c) (1) If, at the conclusion of a public hearing, the board of county commissioners adopts a resolution as provided by subsection (a), or the board is presented with a petition as provided by subsection (b), the board shall direct the county clerk to submit a proposition to create the Gage park improvement authority and impose the sales tax as described by subsection (a)(1) to the qualified electors within the county. Such election shall be held in an even-numbered year. Notice of such election shall be published on the county website and at least once per week for two consecutive weeks in the official county newspaper. The second notice shall be published at least seven days prior to the date of the election. Any such election shall be called and held at any general election, as defined in K.S.A. 25-2502, and amendments thereto, or at a special election called for such purpose. In lieu thereof, such election may be called and held in the manner provided by K.S.A.

25-431 et seq., and amendments thereto.

(2) The proposition presented to the electors shall be in substantially the following form:

"Shall a Gage Park Improvement Authority be created and supported through the levy of a \_\_\_\_\_ (insert rate, not to be less than 0.2% or more than 0.5%) countywide sales tax to benefit Gage Park, the Topeka Zoo and Kansas Children's Discovery Center?"

The county board of commissioners may place additional language on the ballot to describe the use or allocation of the funds in a manner consistent with this act.

(d) If the proposition is approved by a majority of the voters of the county voting at such election, the Gage park improvement authority shall be created and the sales tax as described in subsection (a)(1) shall be imposed by the board of county commissioners at the rate approved by the electors. The sales tax shall be collected and distributed as provided by section 23, and amendments thereto. The sales tax shall be in effect as of the first day of the year following the election. The board shall proceed with the performance of all things necessary and incidental to the establishment of the authority. The members shall be appointed and the authority shall hold the first meeting before the first day of the year following the election, as provided in section 25, and amendments thereto.

(e) If the majority of the electors of the county reject the proposition, any subsequent resolution by the board of county commissioners adopted pursuant to subsection (a) or a petition presented to the board pursuant to subsection (b) may be resubmitted to the electors after one year from the date of the last election on any such proposition.

(f) The sales tax, or portion thereof, levied pursuant to the Gage park improvement authority act shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

New Sec. 23. (a) If an election is held and the proposition is approved by a majority of the voters of the county voting at such election as provided in section 22 or 24, and amendments thereto, the board of county commissioners, by resolution, shall impose a Gage park improvement authority sales tax on the selling of tangible personal property at retail or the rendering or furnishing of services that are taxable pursuant to the provisions of the Kansas retailers' sales tax act within the county for the sole purpose of financing the acquisition, construction, improvement, equipment, operation, support, maintenance and development of eligible recreational facilities within the county by the authority. The board shall provide a certified copy of the resolution to the director of taxation authorizing the levy of the sales tax approved by the voters.

(b) The Gage park improvement authority sales tax shall be in addition to and notwithstanding any limitations on the aggregate amount of the retailers' sales tax contained in K.S.A. 12-187 through 12-197, and amendments thereto. Except as otherwise provided in this act, the sales tax authorized by this section shall be administered and collected pursuant to and subject to the provisions of K.S.A. 12-187 through 12-197, and amendments thereto.

(c) Upon receipt of a certified copy of a resolution authorizing the levy of a sales tax pursuant to this section, the director of taxation shall cause such tax to be collected in the county at the same time and in the same manner provided for the collection of the state retailers' sales tax. All taxes collected under the provisions of this act shall be remitted by the secretary of revenue to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount of all taxes collected under the provisions of this act in the state treasury to the credit of the Gage park improvement authority sales tax fund, which is hereby established in the state treasury. All moneys in the Gage park improvement authority sales tax fund shall be remitted at least quarterly by the state treasurer, as directed by the secretary of

revenue, to the Gage park improvement authority. The Gage park improvement authority shall administer such moneys as provided by section 26, and amendments thereto.

New Sec. 24. (a) (1) If the initial Gage park improvement authority sales tax is imposed at a rate lower than 0.5%, then the board of county commissioners may adopt a resolution stating the board's intention to increase the Gage park improvement authority sales tax imposed pursuant to section 23, and amendments thereto, by one or more increments of 0.05%. Such tax shall be imposed for the sole purpose of financing the acquisition, construction, improvement, equipment, operation, support, maintenance and development of eligible recreational facilities within the county and shall be administered by the authority as provided by section 26, and amendments thereto. The sales tax may be increased as provided by this section one or more times, but the total aggregate sales tax authorized by this act shall not exceed 0.5%.

(2) The board of county commissioners shall determine a time for a hearing upon the question of whether the Gage park improvement authority sales tax shall be increased and direct the county clerk to give notice thereof for three consecutive weeks on the county website and in a newspaper of general circulation within the county. The last publication of such notice shall be at least five days before the day of the hearing. The notice shall include a statement that the hearing is for the purpose of considering the incremental increase of the sales tax, the increase in the sales tax rate, the resulting aggregate rate of the sales tax, and information that a hearing will be held by the board of county commissioners, including the day and the hour of the hearing, and that all persons interested may appear and be heard at the hearing before the board.

(3) If, after such hearing, the board of county commissioners determines that the interests of the people of the county will be advanced by such an increase of the Gage park improvement authority sales tax, the board shall adopt a resolution proposing the increase of the sales tax for submission to the electors of the county as provided by subsection (c). Such resolution shall become effective upon adoption by a majority of the electors of the county.

(b) A petition requesting an incremental increase of the Gage park improvement authority sales tax by one or more increments of 0.05%, for the sole purpose of funding the acquisition, construction, improvement, equipment, operation, support, maintenance and development of eligible recreational facilities within the county may be presented to the board of county commissioners. The petition shall be signed by not less than the number of qualified electors of Shawnee county that is equal to 5% of the electors of such county who voted at the last preceding regular county election. The petition shall be filed with the Shawnee county election office at least 60 days prior to the date of an election in an even-numbered year. Upon receipt of such petition, the board of county commissioners shall cause an election to be held as provided by subsection (c). Such petition shall become effective upon submission to and adoption by a majority of the electors of the county.

(c) If, at the conclusion of a public hearing, the board of county commissioners adopts a resolution as provided in subsection (a), or the board is presented with a petition with the required number of signatures of qualified electors as provided in subsection (b), the board shall direct the county clerk to submit a proposition to adopt the increase in the sales tax to the qualified electors within the county. Such election shall be held in an even-numbered year. Notice of such election shall be published on the county website and at least once per week for two consecutive weeks in the official county newspaper. The second notice shall be published at least seven days prior to the date of such election. Any such election shall be called and held at any general election, as defined in K.S.A. 25-2502, and amendments thereto, or at a special election called for such purpose. In lieu thereof, such election

may be called and held in the manner provided by K.S.A. 25-431 et seq., and amendments thereto.

(d) The proposition presented to the electors shall be in substantially the following form:

"Shall the countywide sales tax for the Gage Park Improvement Authority be increased from \_\_\_\_\_ to \_\_\_\_\_ (insert rate, not to be more than 0.5%) to benefit Gage Park, the Topeka Zoo and Kansas Children's Discovery Center?"

The board of county commissioners may place additional language on the ballot to describe the use or allocation of the funds in a manner consistent with this act.

(e) If the proposition is approved by a majority of the voters of the county voting at such election, the Gage park improvement authority sales tax shall be increased to the rate set forth in the proposition and shall be collected and distributed to the Gage park improvement authority as provided by section 23, and amendments thereto. Such increase shall be in effect as of the first day of the year following the election. The board of county commissioners may proceed with the performance of all things necessary and incidental to the increase of the sales tax.

(f) If the majority of the electors of the county reject the proposition, any subsequent resolution by the county board adopted pursuant to subsection (a), or a petition presented to the board pursuant to subsection (b), may be resubmitted to the electors after one year from the date of the last election on any such proposition.

New Sec. 25. (a) The Gage park improvement authority shall be governed by a board composed of seven resident electors of Shawnee county as follows:

(1) The director of Shawnee county parks or the director's designee;

(2) the director of the Topeka zoo, who may be the president, chief executive officer or head of a nonprofit operator of the Topeka zoo, or such person's designee;

(3) the director of the Kansas children's discovery center, who may be the president, chief executive officer or head of a nonprofit operator of the Kansas children's discovery center, or such person's designee;

(4) two members appointed by the Topeka city council; and

(5) two members appointed by the board of county commissioners of Shawnee county.

(b) Appointments of the initial members of the authority shall be made in such time that the authority may hold its first meeting prior to the end of the year in which the authority was first established. Appointed members shall serve terms of three years. The terms of the director of Shawnee county parks, the director of the Topeka zoo and the director of the Kansas children's discovery center shall not expire but shall transfer automatically to the successor officers of the respective organizations. The appointed members of the authority shall continue in such position until and unless removed by the appointing authority or a successor is appointed and qualified. Appointed members shall be eligible for reappointment. Whenever a vacancy occurs in the appointed members of the authority, a successor shall be selected to fill such vacancy in the same manner that the vacated member was appointed and for the remainder of such vacated member's unexpired term. A vacancy of a member who is not an appointed member may be filled by a representative of the member's respective organization. Any member of the authority may be removed at any time by the member's respective appointing authority or organization, and a new member may then be selected by the member's respective appointing authority or organization.

(c) The authority shall select annually from its membership a chairperson, vice chairperson and secretary.

(d) The authority shall determine the time and place for its meetings. Meetings shall be held at least quarterly within Shawnee

county for the purposes of reviewing, discussing and voting on the allocation of sales tax revenue. The county shall provide a suitable meeting place upon request of the authority. The authority shall be subject to the provisions of the Kansas open meetings act and the Kansas open records act.

(e) A majority of the authority shall constitute a quorum. No action of the authority shall be binding unless taken at a meeting in which at least a quorum is present and unless a majority of the members present at such meeting vote in favor of such action.

New Sec. 26. (a) The Gage park improvement authority shall have the following powers and duties:

(1) (A) To receive, hold, administer, distribute and expend the proceeds from the countywide sales tax imposed pursuant to this act and any other moneys obtained by the authority; to acquire, construct, improve, operate, equip, support, maintain and develop eligible recreational facilities within Gage park; and to distribute sales tax revenues to such eligible recreational facilities for such purposes, as provided by subparagraph (B);

(B) sales tax revenue received by the Gage park improvement authority from the first 0.2% of the rate levied shall be allocated and distributed by the authority as follows:

(i) 22% shall be distributed to Shawnee county to be used for the benefit of Gage Park as provided by this act;

(ii) 58% shall be distributed to the Topeka zoo and shall be directed to any nonprofit operator of the Topeka zoo;

(iii) 15% shall be distributed to the Kansas children's discovery center and shall be directed to any nonprofit operator of the Kansas children's discovery center; and

(iv) 5% shall be allocated and distributed in the discretion of the Gage park improvement authority for any of the following purposes:

(a) The acquisition, construction, improvement, equipment, operation, support, maintenance and development of the eligible recreational facilities;

(b) community enrichment and outreach for the benefit of the eligible recreational facilities;

(c) children's educational programming for the eligible recreational facilities;

(d) other items of public benefit and interest connected to Gage park; and

(e) actual and necessary expenses of the members of the authority in carrying out their official duties and reasonable administrative expenses; and

(C) the sales tax revenue received by the Gage park improvement authority from the portion of a rate that exceeds the rate of 0.2% shall be allocated as determined by the Gage park improvement authority for any of the following purposes:

(i) The acquisition, construction, improvement, equipment, operation, support, maintenance and development of the eligible recreational facilities;

(ii) community enrichment and outreach for the benefit of the eligible recreational facilities;

(iii) children's educational programming for the eligible recreational facilities;

(iv) other items of public benefit and interest connected to Gage park; and

(v) actual and necessary expenses of the members of the authority in carrying out their official duties and reasonable administrative expenses;

(2) to sue and be sued and to prosecute and defend any action in any court of competent jurisdiction;

(3) to enter into contracts to carry out the purposes of the authority and contracts or other instruments as necessary or convenient in the exercise of any of the powers of the authority;

(4) to receive for any authorized purposes and functions any

contributions or moneys appropriated by Shawnee county or the city of Topeka and solicit and receive any donations or grants of money, equipment, supplies, materials and services from any state, the United States or any agency thereof or from any institution, foundation, organization, person, firm or corporation and utilize and dispose of such moneys, donations and grants in the discretion of the authority for the same purposes as provided by this act for the Gage park authority sales tax; and

(5) to adopt, amend and repeal bylaws and rules consistent with this act governing the manner that the powers and purposes of the authority shall be carried out and effected.

(b) The authority shall have the power to perform all other necessary and incidental functions and duties and to exercise all other necessary and appropriate powers consistent with the constitution or laws of this state to effectuate its purposes and duties as provided by this act.

(c) The authority shall be subject to dissolution in the same manner as the dissolution of a special district in accordance with K.S.A. 2021 Supp. 12-3921 through K.S.A. 12-3923, and amendments thereto.

New Sec. 27. (a) Expenses necessary to finance administrative operations of the authority for the first six months after the authority's creation shall be appropriated to the authority by the county. Thereafter, the moneys necessary to finance the operation of the authority shall be drawn from the Gage park improvement authority sales tax fund, as provided by section 26, and amendments thereto.

(b) The authority shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the authority shall be audited periodically as directed by the county. Such audit shall be performed by a certified or licensed public accountant selected by the county. The report of the audit shall be included in and become a part of the annual report of the authority in any year in which an audit is conducted. The cost of such audit shall be paid by the county.

(c) The authority shall annually prepare a report on the operations and the transactions, receipts and disbursements of the authority during the preceding year. The report shall be submitted to the board of county commissioners and the Topeka city council. The county shall publish the authority's annual report on the county's website.

Sec. 28. K.S.A. 2021 Supp. 12-187 is hereby amended to read as follows: 12-187. (a) 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.

(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  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within such county that 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  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within such county that 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, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas, 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.

(D) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Lyon 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 for the purposes of ad valorem tax reduction and capital outlay. The tax imposed pursuant to this paragraph shall terminate not later than five years after the commencement thereof.

(E) Except as otherwise provided in this paragraph, the result of the election held on August 5, 2008, on the question submitted by the board of county commissioners of Rawlins county for the purpose of increasing its countywide retailers' sales tax by 0.75% is hereby declared valid, and the revenue received therefrom by the county shall be expended for the purposes of financing the costs of a swimming pool. The tax imposed pursuant to this paragraph shall terminate not later than 15 years after the commencement thereof or upon payment of all costs authorized pursuant to this paragraph in the financing of such

project.

(F) The result of the election held on December 1, 2009, on the question submitted by the board of county commissioners of Chautauqua county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received from such tax by the county shall be expended for the purposes of financing the costs of constructing, furnishing and equipping a county jail and law enforcement center and necessary improvements appurtenant to such jail and law enforcement center. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(G) The result of the election held on April 7, 2015, on the question submitted by the board of county commissioners of Bourbon county for the purpose of increasing its retailers' sales tax by 0.4% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the costs of constructing, furnishing and operating a courthouse, law enforcement center or jail facility improvements. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(H) The result of the election held on November 7, 2017, on the question submitted by the board of county commissioners of Finney county for the purpose of increasing its countywide retailers' sales tax by 0.3% is hereby declared valid, and the revenues of such tax shall be used by Finney county and the city of Garden City, Kansas, as agreed in an interlocal cooperation agreement between the city and county, and as detailed in the ballot question approved by voters. The tax imposed pursuant to this subparagraph shall be levied for a period of 15 years from the date it is first levied.

(I) The result of the election held on November 3, 2020, on the question submitted by the board of county commissioners of Cherokee county for the purpose of increasing its retailers' sales tax by 0.5% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing: (i) Ambulance services within the county; (ii) renovations and maintenance of county buildings and facilities; or (iii) any other projects within the county deemed necessary by the governing body of Cherokee county. The tax imposed pursuant to this subparagraph shall terminate prior to January 1, 2033.

(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 0.25% 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 K.S.A. 68-2314(b)(5), 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 0.25%, 0.5%, 0.75% 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 subsection (a)(2) 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 0.5% 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) (A) The board of county commissioners of Clay and Miami county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.50% in the case of Clay 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 subparagraph 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.

(B) The board of county commissioners of Dickinson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% 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 subparagraph shall expire after 10 years from the date such tax is first collected.

(8) The board of county commissioners of Sherman county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% and pledging the revenue received therefrom for the purpose

of financing the costs of street and roadway improvements 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.

(9) (A) The board of county commissioners of Cowley, Crawford and Woodson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% in the case of Crawford and Woodson county and at a rate of up to 0.25%, 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 subparagraph shall expire after five years from the date such tax is first collected.

(B) The board of county commissioners of Russell county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing economic development initiatives or public infrastructure projects. The tax imposed pursuant to this subparagraph shall expire after 10 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 0.25% 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 the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purposes of conservation, access and management of open space; preservation of cultural heritage; and economic development projects and activities.

(12) The board of county commissioners of Shawnee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% 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 0.4% and pledging the revenue received therefrom for the purpose of financing public infrastructure projects to the electors at an election called and held thereon. Such tax 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 0.5% 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.

(15) The board of county commissioners of Saline county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of construction and operation of an expo center to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(16) The board of county commissioners of Harvey county may submit the question of imposing a countywide retailers' sales tax at the rate of 1.0% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and public infrastructure improvements to the

electors at an election called and held thereon.

(17) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the costs of construction and maintenance of sports and recreational facilities 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 facilities.

(18) The board of county commissioners of Wabaunsee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 15 years from the date such tax is first collected. On and after July 1, 2019, the countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for one additional period not to exceed 15 years upon the board of county commissioners of Wabaunsee county submitting such question to the electors at an election called and held thereon as provided by law. For any countywide retailers' sales tax that is extended or reenacted pursuant to this paragraph, such tax shall expire not later than 15 years from the date such tax is first collected.

(19) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of 1% 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 after six years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional six-year periods upon the board of county commissioners of Jefferson county submitting such question to the electors at an election called and held thereon for each additional six-year period as provided by law.

(20) The board of county commissioners of Riley county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after five years from the date such tax is first collected.

(21) The board of county commissioners of Johnson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the construction and operation costs of public safety projects, including, but not limited to, a jail, detention center, sheriff's resource center, crime lab or other county administrative or operational facility dedicated to public safety, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this subsection may be extended or reenacted for additional periods not exceeding 10 years upon the board of county commissioners of Johnson county submitting such question to the electors at an election called and held thereon for each additional ten-year period as provided by law.

(22) The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvements to federal highways, the development of a new industrial park and other public infrastructure improvements 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 or projects.

(23) The board of county commissioners of Butler county may submit the question of imposing a countywide retailers' sales tax at the rate of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the costs of public safety capital projects or bridge and roadway construction projects, or both, 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 projects.

(24) The board of county commissioners of Barton county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway and bridge construction and improvement and infrastructure development and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(25) The board of county commissioners of Jefferson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the costs of the county's obligation as participating employer to make employer contributions and other required contributions to the Kansas public employees retirement system for eligible employees of the county who are members of the Kansas police and firemen's retirement system, 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 purpose.

(26) The board of county commissioners of Pottawatomie county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, or public infrastructure improvements, or both, 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 or projects.

(27) The board of county commissioners of Kingman county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the costs of constructing and furnishing a law enforcement center and jail facility and the costs of roadway and bridge improvements to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire not later than 20 years from the date such tax is first collected.

(28) The board of county commissioners of Edwards county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.375% and pledging the revenue therefrom for the purpose of financing the costs of economic development initiatives to the electors at an election called and held thereon.

(29) The board of county commissioners of Rooks county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue therefrom for the purpose of financing the costs of constructing or remodeling and furnishing a jail facility 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 authorized in financing such project or projects.

(30) The board of county commissioners of Douglas county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility, detention facility or other county administrative facility, specifically including mental health and for the operation thereof.

(31) The board of county commissioners of Bourbon county may submit the question of imposing a countywide retailers' sales tax at the

rate of up to 1%, in increments of 0.05%, and pledging the revenue received therefrom for the purpose of financing the costs of constructing, furnishing and operating a courthouse, law enforcement center or jail facility improvements to the electors at an election called and held thereon.

(32) The board of county commissioners of Marion county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and the construction of public infrastructure improvements, including buildings, to the electors at an election called and held thereon.

(33) *The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of supporting emergency medical and ambulance services in the county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional periods not exceeding 10 years per period upon the board of county commissioners of Wilson county submitting such question to the electors at an election called and held thereon for each additional period as provided by law. This paragraph shall not be construed to cause the expiration, repeal or termination of any existing city retailers' sales tax for health care services as defined in paragraph (5).*

(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  $\frac{2}{3}$  of the membership of the governing body of each of one or more cities within each of such counties that 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  $\frac{2}{3}$  of the membership of the governing body of each of one or more taxing subdivisions within each of such counties that levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) *Notwithstanding any provision of law to the contrary, including subsection (b)(5), any city retailers' sales tax being levied by a city prior to July 1, 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 for such repeal. Any countywide retailers' sales tax in the amount of 0.5% 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) 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.

(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.

(g) (1) 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.

(2) *In addition to the requirements set forth in paragraph (1), the governing body of the county proposing to levy a countywide retailers' sales tax shall include as a part of the ballot proposition whether:*

(A) *The apportionment formula provided in K.S.A. 12-192, and amendments thereto, will apply to the revenue;*

(B) *an interlocal agreement was entered whereby the county will retain either all or part of the revenue; or*

(C) *pursuant to law, the county retains the revenue in its entirety.*

Sec. 29. K.S.A. 2021 Supp. 12-189 is hereby amended to read as follows: 12-189. The rate of any city retailers' sales tax shall be fixed in increments of 0.05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes, which shall be determined by the governing body of the city. 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 not to exceed 1% and shall be fixed in increments of 0.25%, and 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 K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage or Reno county, for the purposes of K.S.A. 12-187(b)(2), 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 K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5%; the board of county commissioners of Atchison or Thomas county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5% or 1.75%; the board of county commissioners of Anderson, Barton, Jefferson or Ottawa county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2%; the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2.5%; the board of county commissioners of Franklin, Linn and Miami counties, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the respective board of county commissioners on July 1, 2007, plus up to 1.0%; and the board of county commissioners of Brown county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at up to 2%;

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

(c) the boards of county commissioners of Finney and Ford counties, for the purposes of K.S.A. 12-187(b)(4), and amendments thereto, may fix such rate at 0.25%;

(d) the board of county commissioners of any county, for the purposes of K.S.A. 12-187(b)(5), and amendments thereto, may fix such rate at a percentage that 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 0.25%, 0.5%, 0.75% or 1%, as the case requires;

(e) the board of county commissioners of Dickinson county, for the purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix such rate at 1.5%, and the board of county commissioners of Miami county, for the purposes of K.S.A. 12-187(b)(7), 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 K.S.A. 12-187(b)(8), and amendments thereto, may fix such rate at 2.25%;

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

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

(i) the board of county commissioners of Douglas county, for the purposes of K.S.A. 12-187(b)(11) and (b)(30), and amendments thereto, may fix such rate at 1.75%;

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

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

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

(m) the board of county commissioners of Saline county, for the purposes of K.S.A. 12-187(b)(15), and amendments thereto, may fix such rate at up to 1.5%;

(n) the board of county commissioners of Harvey county, for the purposes of K.S.A. 12-187(b)(16), and amendments thereto, may fix such rate at 2.0%;

(o) the board of county commissioners of Atchison county, for the purpose of K.S.A. 12-187(b)(17), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Atchison county on the effective date of this act plus 0.25%;

(p) the board of county commissioners of Wabaunsee county, for the purpose of K.S.A. 12-187(b)(18), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Wabaunsee county on July 1, 2007, plus 0.5%;

(q) the board of county commissioners of Jefferson county, for the purpose of K.S.A. 12-187(b)(19) and (25), and amendments thereto, may fix such rate at 2.25%;

(r) the board of county commissioners of Riley county, for the purpose of K.S.A. 12-187(b)(20), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Riley county on July 1, 2007, plus up to 1%;

(s) the board of county commissioners of Johnson county, for the purposes of K.S.A. 12-187(b)(21), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the board of county commissioners of Johnson county on July 1, 2007, plus 0.25%;

(t) the board of county commissioners of Wilson county, for the purposes of K.S.A. 12-187(b)(22), and amendments thereto, may fix such rate at up to 2%;

(u) the board of county commissioners of Butler county, for the

purposes of K.S.A. 12-187(b)(23), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%;

(v) the board of county commissioners of Barton county, for the purposes of K.S.A. 12-187(b)(24), and amendments thereto, may fix such rate at up to 1.5%;

(w) the board of county commissioners of Lyon county, for the purposes of K.S.A. 12-187(b)(3)(D), and amendments thereto, may fix such rate at 1.5%;

(x) the board of county commissioners of Rawlins county, for the purposes of K.S.A. 12-187(b)(3)(E), and amendments thereto, may fix such rate at 1.75%;

(y) the board of county commissioners of Chautauqua county, for the purposes of K.S.A. 12-187(b)(3)(F), and amendments thereto, may fix such rate at 2.0%;

(z) the board of county commissioners of Pottawatomie county, for the purposes of K.S.A. 12-187(b)(26), and amendments thereto, may fix such rate at up to 1.5%;

(aa) the board of county commissioners of Kingman county, for the purposes of K.S.A. 12-187(b)(27), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75%, or 1%;

(bb) the board of county commissioners of Edwards county, for the purposes of K.S.A. 12-187(b)(28), and amendments thereto, may fix such rate at 1.375%;

(cc) the board of county commissioners of Rooks county, for the purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix such rate at up to 1.5%;

(dd) the board of county commissioners of Bourbon county, for the purposes of K.S.A. 12-187(b)(3)(G) and (b)(31), and amendments thereto, may fix such rate at up to 2.0%;

(ee) the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(32), and amendments thereto, may fix such rate at 2.5%;

(ff) the board of county commissioners of Finney county, for the purposes of K.S.A. 12-187(b)(3)(H), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.3%; ~~and~~

(gg) the board of county commissioners of Cherokee county, for the purposes of K.S.A. 12-187(b)(3)(I), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%; *and*

*(hh) the board of county commissioners of Wilson county, for the purposes of K.S.A. 12-187(b)(33), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%.*

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. The director of taxation shall confirm that all provisions of law applicable to the authorization of local sales tax have been followed prior to causing the collection. If the director of taxation discovers that a city or county did not comply with any provision of law applicable to the authorization of a local sales tax after collection has commenced, the director shall immediately notify the city or county and cease collection of such sales tax until such noncompliance is remedied. 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, except that all moneys collected by the director of taxation pursuant to the authority granted in K.S.A. 12-187(b)(22), and amendments thereto, shall be credited to the Wilson county capital improvements fund. 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 that 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. 30. K.S.A. 2021 Supp. 12-192 is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner:

(1)  $\frac{1}{2}$  of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year; and

(2)  $\frac{1}{2}$  of all revenue received by the director of taxation from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county

residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county.

All revenue apportioned to a county shall be paid to its county treasurer and shall be credited to the general fund of the county.

(b) (1) In lieu of the apportionment formula provided in subsection (a), all revenue received by the director of taxation from a countywide retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1% or 1.25% after July 1, 2007, shall be apportioned among the county and each city located in such county in the following manner:

(A) The revenue received from the first 0.5% rate of tax shall be apportioned in the manner prescribed by subsection (a); and

(B) the revenue received from the rate of tax exceeding 0.5% shall be apportioned as follows:

(i)  $\frac{1}{4}$  shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year;

(ii)  $\frac{1}{4}$  shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county; and

(iii)  $\frac{1}{2}$  shall be retained by the county for its sole use and benefit.

(2) In lieu of the apportionment formula provided in subsection (a), all money received by the director of taxation from a countywide sales tax imposed within Montgomery county pursuant to the election held on November 8, 1994, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged. All revenue apportioned and paid from the imposition of such tax to the treasurer of any city prior to the effective date of this act shall be remitted to the county treasurer and expended only for the purpose for which the revenue received from the tax was pledged.

(3) In lieu of the apportionment formula provided in subsection (a), on and after the effective date of this act, all moneys received by the director of taxation from a countywide retailers' sales tax imposed within Phillips county pursuant to the election held on September 20, 2005, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(2) For the purposes of subsections (a) and (b), any ad valorem property tax levied on property located in a city in Johnson county for the purpose of providing fire protection service in such city shall be included within the term "total tangible property tax levies" for such city regardless of its applicability to all tangible property located within each such city. If the tax is levied by a district which extends across city boundaries, for purposes of this computation, the amount of such levy shall be apportioned among each city in which such district extends in

the proportion that such tax levied within each city bears to the total tax levied by the district.

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6), (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28), (29), (30), (31) ~~and~~, (32) *and* (33), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(2) Except as otherwise provided in K.S.A. 12-187(b)(5), and amendments thereto, all revenues received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(5), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

(3) All revenue received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(26), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged unless the question of imposing a countywide retailers' sales tax authorized by K.S.A. 12-187(b)(26), and amendments thereto, includes the apportionment of revenue prescribed in subsection (a).

(e) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof and deposited in the general fund of the city. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax, as an alternative to depositing the same in the general fund, may be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax.

(f) Prior to March 1 of each year, the secretary of revenue shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

(g) Prior to December 31 of each year, the clerk of every county imposing a countywide retailers' sales tax shall provide such information deemed necessary by the secretary of revenue to apportion and remit revenue to the counties and cities pursuant to this section.

(h) The provisions of subsections (a) and (b) for the apportionment of countywide retailers' sales tax shall not apply to any revenues received pursuant to a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and amendments thereto. All such revenue collected under K.S.A. 74-8929, and amendments thereto, shall be deposited into the redevelopment bond fund established by K.S.A. 74-8927, and amendments thereto, for the period of time set forth in K.S.A. 74-8927, and amendments thereto.

Sec. 31. K.S.A. 2021 Supp. 74-50,223 is hereby amended to read as follows: 74-50,223. (a) Any county that has been designated a rural opportunity zone pursuant to K.S.A. 74-50,222, and amendments thereto, may participate in the program provided in this section by authorizing such participation by the county commission of such county through a duly enacted written resolution. Such county shall provide a certified copy of such resolution to the secretary of commerce on or before January 1, 2012, for calendar year 2012, or on or before January 1 for each calendar year thereafter, in which a county chooses to participate. Such resolution shall obligate the county to participate in the program provided by this section for a period of five years, and shall be irrevocable. Such resolution shall specify the maximum amount of outstanding student loan balance for each resident individual to be repaid as provided in subsection (b), except the maximum amount of such balance shall be \$15,000.

(b) If a county submits a resolution as provided in subsection (a),

under the program provided in this section, subject to subsection (d), the state of Kansas and such county which chooses to participate as provided in subsection (a), shall agree to pay in equal shares the outstanding student loan balance of any resident individual who qualifies to have such individual's student loans repaid under the provisions of subsection (c) over a five-year period, except that the maximum amount of such balance shall be \$15,000. The amount of such repayment shall be equal to 20% of the outstanding student loan balance of the individual in a year over the five-year repayment period. The state of Kansas is not obligated to pay the student loan balance of any resident individual who qualifies pursuant to subsection (c) prior to the county submitting a resolution to the secretary pursuant to subsection (a). Each such county shall certify to the secretary that such county has made the payment required by this subsection.

(c) A resident individual shall be entitled to have such individual's outstanding student loan balance paid for attendance at an institution of higher education where such resident individual earned an associate, bachelor or post-graduate degree under the provisions of this section when such resident individual establishes domicile in a county designated as a rural opportunity zone which participates in the program as provided in subsection (a), on and after the date in which such county commenced such participation, and prior to July 1, ~~2023~~ 2026. Such resident individual may enroll in this program in a form and manner prescribed by the secretary. Subject to subsection (d), once enrolled such resident individual shall be entitled to full participation in the program for five years, except that if the resident individual relocates outside the rural opportunity zone for which the resident individual first qualified, such resident individual forfeits such individual's eligibility to participate, and obligations under this section of the state and the county terminate. No resident individual shall enroll and be eligible to participate in this program after June 30, ~~2023~~ 2026.

(d) The provisions of this act shall be subject to appropriation acts. Nothing in this act guarantees a resident individual a right to the benefits provided in this section. The county may continue to participate even if the state does not participate.

(e) The secretary shall adopt rules and regulations necessary to administer the provisions of this section.

(f) On January 1, 2012, and annually thereafter until January 1, ~~2024~~ 2027, the secretary of commerce shall report to the senate committee on assessment and taxation and the house of representatives committee on taxation as to how many residents applied for the rural opportunity zone tax credit.

Sec. 32. K.S.A. 2021 Supp. 79-201x is hereby amended to read as follows: 79-201x. (a) For taxable ~~years 2021 and year 2022, and all taxable years thereafter~~, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-5142, and amendments thereto: Property used for residential purposes to the extent of ~~\$20,000~~ \$40,000 of its appraised valuation.

(b) *For taxable year 2023, and all taxable years thereafter, the dollar amount of the extent of appraised valuation that is exempt pursuant to subsection (a) shall be adjusted to reflect the average percentage change in statewide residential valuation of all residential real property for the preceding 10 years. Such average percentage change shall not be less than zero. The director of property valuation shall calculate the average percentage change for purposes of this annual adjustment and calculate the dollar amount of the extent of appraised valuation that is exempt pursuant to this section each year.*

Sec. 33. K.S.A. 79-224 is hereby amended to read as follows: 79-224. (a) It is the purpose of this section to promote, stimulate, foster and encourage new investments in telecommunications machinery and equipment and railroad machinery and equipment in the state of Kansas, to recognize the dramatic changes within the telecommunications industry, to contribute to the economic recovery of

the state, to enhance business opportunities in the state, to encourage the location of new businesses and industries in the state as well as the retention and expansion of existing businesses and industries and to promote the economic stability of the state by maintaining and providing employment opportunities, thereby contributing to the general welfare of the citizens of the state, by exempting from property taxation certain newly purchased or leased telecommunications machinery and equipment and railroad machinery and equipment, including all such machinery and equipment transferred into this state for the purpose of expanding an existing business or for the creation of a new business.

(b) The following described property, to the extent specified by this section, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

*First.* Telecommunications machinery and equipment and railroad machinery and equipment acquired by qualified purchase or lease made or entered into after June 30, 2006, as the result of a bona fide transaction not consummated for the purpose of avoiding taxation.

*Second.* Telecommunications machinery and equipment and railroad machinery and equipment transported into this state after June 30, 2006, for the purpose of expanding an existing business or creation of a new business.

(c) As used in this section:

(1) "Acquired" shall not include the transfer of property pursuant to an exchange for stock securities, or the transfer of assets from one going concern to another due to a merger, reorganization or other consolidation;

(2) "qualified lease" means a lease of telecommunications machinery and equipment or railroad machinery and equipment for not less than 30 days for fair and valuable consideration where such machinery and equipment is physically transferred to the lessee to be used in the lessee's business or trade;

(3) "qualified purchase" means a purchase of telecommunications machinery and equipment or railroad machinery and equipment for fair and valuable consideration where such machinery and equipment is physically transferred to the purchaser to be used in the purchaser's business or trade;

(4) "railroad machinery and equipment" means railroad machinery and equipment classified for property tax purposes within subclass (3) of class 2 of section 1 of article 11 of the constitution of the state of Kansas; and

(5) "telecommunications machinery and equipment" means network administrative assets; central office equipment; information, station and customer equipment; and outside plant equipment of a telecommunication company. *"Telecommunications machinery and equipment" includes machinery and equipment placed in inventory or work-in-progress.*

(d) The secretary of revenue is hereby authorized to adopt rules and regulations to administer the provisions of this section.

Sec. 34. K.S.A. 79-1476 is hereby amended to read as follows: 79-1476. The director of property valuation is hereby directed and empowered to administer and supervise a statewide program of reappraisal of all real property located within the state. Except as otherwise authorized by K.S.A. 19-428, and amendments thereto, each county shall comprise a separate appraisal district under such program, and the county appraiser shall have the duty of reappraising all of the real property in the county pursuant to guidelines and timetables prescribed by the director of property valuation and of updating the same on an annual basis. In the case of multi-county appraisal districts, the district appraiser shall have the duty of reappraising all of the real property in each of the counties comprising the district pursuant to such guidelines and timetables and of updating the same on an annual basis. Commencing in 2000, every parcel of real property shall be actually viewed and inspected by the county or district appraiser once every six

years.

Compilation of data for the initial preparation or updating of inventories for each parcel of real property and entry thereof into the state computer system as provided for in K.S.A. 79-1477, and amendments thereto, shall be completed not later than January 1, 1989. Whenever the director determines that reappraisal of all real property within a county is complete, notification thereof shall be given to the governor and to the state board of tax appeals.

Valuations shall be established for each parcel of real property at its fair market value in money in accordance with the provisions of K.S.A. 79-503a, and amendments thereto.

In addition thereto, valuations shall be established for each parcel of land devoted to agricultural use upon the basis of the agricultural income or productivity attributable to the inherent capabilities of such land in its current usage under a degree of management reflecting median production levels in the manner hereinafter provided. A classification system for all land devoted to agricultural use shall be adopted by the director of property valuation using criteria established by the United States department of agriculture—~~soil natural resources~~ conservation service. For all taxable years commencing after December 31, 1989, all land devoted to agricultural use—~~which that~~ is subject to the federal conservation reserve program shall be classified as cultivated dry land for the purpose of valuation for property tax purposes pursuant to this section, *except that for all taxable years commencing after December 31, 2022, all land devoted to agricultural use that is subject to the federal grassland conservation reserve program (CRP grasslands) shall be classified as grassland for the purpose of valuation for property tax purposes pursuant to this section.* For all taxable years commencing after December 31, 1999, all land devoted to agricultural use—~~which that~~ is subject to the federal wetlands reserve program shall be classified as native grassland for the purpose of valuation for property tax purposes pursuant to this section. Productivity of land devoted to agricultural use shall be determined for all land classes within each county or homogeneous region based on an average of the eight calendar years immediately preceding the calendar year—~~which that~~ immediately precedes the year of valuation, at a degree of management reflecting median production levels. The director of property valuation shall determine median production levels based on information available from state and federal crop and livestock reporting services, the—~~soil natural resources~~ conservation service, and any other sources of data that the director considers appropriate.

The share of net income from land in the various land classes within each county or homogeneous region—~~which that~~ is normally received by the landlord shall be used as the basis for determining agricultural income for all land devoted to agricultural use except pasture or rangeland. The net income normally received by the landlord from such land shall be determined by deducting expenses normally incurred by the landlord from the share of the gross income normally received by the landlord. The net rental income normally received by the landlord from pasture or rangeland within each county or homogeneous region shall be used as the basis for determining agricultural income from such land. The net rental income from pasture and rangeland—~~which that~~ is normally received by the landlord shall be determined by deducting expenses normally incurred from the gross income normally received by the landlord. Commodity prices, crop yields and pasture and rangeland rental rates and expenses shall be based on an average of the eight calendar years immediately preceding the calendar year—~~which that~~ immediately precedes the year of valuation. Net income for every land class within each county or homogeneous region shall be capitalized at a rate determined to be the sum of the contract rate of interest on new federal land bank loans in Kansas on July 1 of each year averaged over a five-year period—~~which that~~ includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus a percentage not less than 0.75% nor more

than 2.75%, as determined by the director of property valuation, except that the capitalization rate calculated for property tax year 2003, and all such years thereafter, shall not be less than 11% nor more than 12%.

Based on the foregoing procedures, the director of property valuation shall make an annual determination of the value of land within each of the various classes of land devoted to agricultural use within each county or homogeneous region and furnish the same to the several county appraisers who shall classify such land according to its current usage and apply the value applicable to such class of land according to the valuation schedules prepared and adopted by the director of property valuation under the provisions of this section.

It is the intent of the legislature that appraisal judgment and appraisal standards be followed and incorporated throughout the process of data collection and analysis and establishment of values pursuant to this section.

For the purpose of the foregoing provisions of this section, the phrase "land devoted to agricultural use" shall mean and include land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, ~~which~~ *that* is devoted to the production of plants, animals or horticultural products, including, but not limited to: Forages; grains and feed crops; dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; *and* nursery, floral, ornamental and greenhouse products. "Land devoted to agricultural use" shall include land established as a controlled shooting area pursuant to K.S.A. 32-943, and amendments thereto, which shall be deemed to be land devoted to agricultural use. *"Land devoted to agricultural use" shall include land that is utilized by zoos that hold a valid class C exhibitor license issued by the United States department of agriculture. "Land devoted to agricultural use" shall include land otherwise devoted to the production of plants, animals or horticultural products that is incidentally used for agritourism activity. For purposes of this section, "agritourism activity" means any activity that allows members of the general public, for recreational, entertainment or educational purposes, to view or enjoy rural activities, including, but not limited to, farming activities, ranching activities or historic, cultural or natural attractions. An activity may be an "agritourism activity" whether or not the participant pays to participate in the activity. An activity is not an "agritourism activity" if the participant is paid to participate in the activity.* If a parcel has land devoted to agricultural purposes and land used for suburban residential acreages, rural home sites or farm home sites, the county appraiser shall determine the amount of the parcel used for agricultural purposes and value and assess it accordingly as land devoted to agricultural purposes. The county appraiser shall then determine the amount of the remaining land used for such other purposes and value and assess that land according to its use.

The term "expenses" shall mean those expenses typically incurred in producing the plants, animals and horticultural products described above, including management fees, production costs, maintenance and depreciation of fences, irrigation wells, irrigation laterals and real estate taxes, but the term shall not include those expenses incurred in providing temporary or permanent buildings used in the production of such plants, animals and horticultural products.

The provisions of this act shall not be construed to conflict with any other provisions of law relating to the appraisal of tangible property for taxation purposes including the equalization processes of the county and state board of tax appeals.

Sec. 35. K.S.A. 79-1613 is hereby amended to read as follows: 79-1613. (a) As used in this section:

(1) "Destroyed or substantially destroyed" means damage of any origin sustained by a homestead *or building or improvement* as the direct result of: (A) An earthquake, flood, tornado, fire or storm; or (B) an event or occurrence ~~which~~ *that* the governor of the state of Kansas

has declared a disaster, whereby the cost of restoring the structure *damaged as a result of subparagraph (A) or (B)* to its before-damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred.

(2) "Homestead" means the dwelling, or any part thereof, whether owned or rented, ~~which~~ *that* is occupied as a residence by the household and so much of the land surrounding it, as defined as a home site for ad valorem tax purposes, and may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built or a manufactured home or mobile home and the land upon which it is situated. "Owned" includes a vendee in possession under a land contract, a life tenant, a beneficiary under a trust and one or more joint tenants or tenants in common.

~~(3) "Public or private buyout" means any buyout from a local, state or federal governmental entity or any non-governmental entity, including, but not limited to, an individual, foundation, trust, association, corporation, limited liability company or partnership.~~

(b) The owner of *any building or improvement listed and assessed for property taxation purposes as real property* or any homestead listed and assessed for property taxation purposes ~~which that~~ was destroyed or substantially destroyed ~~due to an earthquake, flood, tornado, fire, storm, or other event or occurrence which the governor of the state of Kansas has declared a disaster~~ may make application to the board of county commissioners of the county in which such property is located for the abatement of property taxes levied upon such homestead *or building or improvement* or for a credit against property taxes payable by such owner, as permitted by this section.

(1) If such homestead *or building or improvement* has been so destroyed or substantially destroyed after January 1 of a particular year but prior to August 15 of such year, the owner of such homestead *or building or improvement* may make application to such board of county commissioners for the abatement of property taxes levied upon such homestead *or building or improvement*, or if such property taxes have been paid or partially paid, may make application for the granting of a credit against property taxes payable by such owner during any or all of the next succeeding three taxable years.

(2) If such homestead *or building or improvement* has been so destroyed or substantially destroyed on or after August 15 of a particular year but prior to January 1 of the next succeeding year, the owner of such homestead *or building or improvement* may make application to such board of county commissioners for the granting of a credit against property taxes payable by such owner during any or all of the next succeeding three taxable years.

(c) An application for relief as permitted by subsection (b) may be made for abatement of property taxes assessed but not yet paid, or for a grant of a credit for assessed property taxes paid or for both, as the case may be, and may be made on or before December 20 of the year next succeeding the year for which such taxes have been assessed.

(d) Upon receipt of any such application, subject to budgetary restraints of the county or taxing subdivision ~~arising from the event or occurrence declared a disaster by the governor~~, the board of county commissioners shall inquire into and make findings regarding, among other things, whether the property is a homestead, as defined in subsection (a), *whether the property is a building or improvement*, whether the homestead *or the building or improvement* was destroyed or substantially destroyed, as defined in subsection (a) and the assessed valuation thereof. If it is determined that an owner of such homestead *or building or improvement* is entitled to an abatement of all or any portion of the property taxes levied against such homestead *or building or improvement* or is entitled to a credit against property taxes payable by such owner in any or all of the next succeeding three years, the board may issue an order so providing.

(e) The county clerk and county treasurer shall in each case of abatement or credit correct their records in accordance therewith and



the county clerk shall notify the governing body of any taxing district affected thereby.

(f) The provisions of this section shall be applicable to all taxable years commencing after December 31, ~~2014~~ 2018, ~~and all taxable years thereafter.~~

(g) *Notwithstanding any provision of subsection (c) to the contrary, an application for relief as permitted by subsection (b) may be made for abatement of property taxes assessed but not yet paid, or for a grant of a credit for assessed property taxes paid, or for both, as the case may be, and may be made on or before December 20, 2022, for taxable years 2019 and 2020.*

Sec. 36. K.S.A. 79-2930 is hereby amended to read as follows: 79-2930. (a) Two copies of the budget certificate giving the amount of ad valorem tax to be levied and the total amount of the adopted budget of expenditures by fund, along with itemized budget forms for each and every fund and proof of publication of the notice of budget hearing containing the budget summary shall be presented to the county clerk within the time prescribed by K.S.A. 79-1801, and amendments thereto. ~~Beginning in 2009,~~ All such budget information shall be filed electronically with the county clerk. Where action has been taken under any statute to increase the amount of tax to be levied authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect.

(b) The county clerk shall make any reductions to the ad valorem tax to be levied, compute the tax levy rates based on the final equalized assessed valuation, and enter such on the budget certificate before attesting the budget, except that with regard to levies made under K.S.A. 75-2551, and amendments thereto, such levies shall be based upon the certified preliminary abstract of property values submitted to the director of property valuation pursuant to K.S.A. 79-1604, and amendments thereto. *Beginning in 2022, on or before December 31 each year,* a copy of all budgets for taxing subdivisions of the county, properly attested, shall be filed with the director of accounts and reports, along with a copy of the tax levy rate summary ~~required of the county treasurer by K.S.A. 79-2002, and amendments thereto.~~ *Beginning in 2009,* All such budget information shall be filed electronically with the director of accounts and reports.

(c) Each fund of the adopted budget certified to the county clerk in no event shall exceed the amount of ad valorem tax to be levied and the proposed expenditures of such fund in the proposed budget as originally published. The governing body of each taxing subdivision shall not certify an amount of ad valorem taxes to be levied that is in excess of any tax levy rate or amount limitations or any aggregate tax levy limitations. The governing bodies, in fixing the amount may take into consideration and make allowance for the taxes which may not be paid, such allowance, however, shall not exceed by more than 5% the percentage of delinquency for the preceding tax year.

Sec. 37. K.S.A. 2021 Supp. 79-2988 is hereby amended to read as follows: 79-2988. (a) On or before June 15 each year, the county clerk shall calculate the revenue neutral rate for each taxing subdivision and include such revenue neutral rate on the notice of the estimated assessed valuation provided to each taxing subdivision for budget purposes. The director of accounts and reports shall modify the prescribed budget information form to show the revenue neutral rate.

(b) No tax rate in excess of the revenue neutral rate shall be levied by the governing body of any taxing subdivision unless a resolution or ordinance has been approved by the governing body according to the following procedure:

(1) At least 10 days in advance of the public hearing, the governing body shall publish notice of its proposed intent to exceed the revenue neutral rate by publishing notice: (A) On the website of the governing body, if the governing body maintains a website; and

(B) in a weekly or daily newspaper of the county having a general

circulation therein. The notice shall include, but not be limited to, its proposed tax rate, its revenue neutral rate and the date, time and location of the public hearing.

(2) On or before July 20, the governing body shall notify the county clerk of its proposed intent to exceed the revenue neutral rate and provide the date, time and location of the public hearing and its proposed tax rate. For all tax years commencing after December 31, 2021, the county clerk shall notify each taxpayer with property in the taxing subdivision, by mail directed to the taxpayer's last known address, of the proposed intent to exceed the revenue neutral rate at least 10 days in advance of the public hearing. Alternatively, the county clerk may transmit the notice to the taxpayer by electronic means at least 10 days in advance of the public hearing, if such taxpayer and county clerk have consented in writing to service by electronic means. The county clerk shall consolidate the required information for all taxing subdivisions relevant to the taxpayer's property on one notice. The notice shall be in a format prescribed by the director of accounts and reports. The notice shall include, but not be limited to:

(A) The revenue neutral rate of each taxing subdivision relevant to the taxpayer's property;

(B) the proposed property tax revenue needed to fund the proposed budget of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(C) the proposed tax rate based upon the proposed budget and the current year's total assessed valuation of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(D) *the percentage by which the proposed tax rate exceeds the revenue neutral rate;*

(E) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement;

~~(E)~~(F) the appraised value and assessed value of the taxpayer's property for the current year;

~~(F)~~(G) the estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates;

~~(G)~~(H) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate on the taxpayer's property described in subparagraph ~~(F)~~ (G) for any taxing subdivision that has a proposed tax rate that exceeds its revenue neutral rate; and

~~(H)~~(I) the date, time and location of the public hearing of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate.

Although the state of Kansas is not a taxing subdivision for purposes of this section, the notice shall include a statement of the statutory mill levies imposed by the state and the estimate of the tax for the current year on the taxpayer's property based on such levies.

(3) The public hearing to consider exceeding the revenue neutral rate shall be held not sooner than August 20 and not later than September 20. The governing body shall provide interested taxpayers desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment. The public hearing may be conducted in conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the governing body otherwise complies with all requirements of this section. Nothing in this section shall be construed to prohibit additional public hearings that provide additional opportunities to present testimony or public comment prior to the public hearing required by this section.

(4) A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the revenue neutral rate,

shall be required prior to adoption of a proposed budget that will result in a tax rate in excess of the revenue neutral rate. Such vote of the governing body shall be conducted at the public hearing after the governing body has heard from interested taxpayers *and shall be a roll call vote*. If the governing body approves exceeding the revenue neutral rate, the governing body shall not adopt a budget that results in a tax rate in excess of its proposed tax rate as stated in the notice provided pursuant to this section. *A copy of the resolution or ordinance to approve exceeding the revenue neutral rate and a certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body related to exceeding the revenue neutral rate, whether approved or not, shall be included with the adopted budget, budget certificate and other budget forms filed with the county clerk and the director of accounts and reports and shall be published on the website of the department of administration.*

(c) (1) Any governing body subject to the provisions of this section that does not comply with subsection (b) shall refund to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

(2) *Any taxpayer of the taxing subdivision that is the subject of the complaint or such taxpayer's duly authorized representative may file a complaint with the state board of tax appeals by filing a written complaint, on a form prescribed by the board, that contains the facts that the complaining party believes show that a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and that a reduction or refund of taxes is appropriate. The complaining party shall provide a copy of such complaint to the governing body of the taxing subdivision making the levy that is the subject of the complaint. Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee shall be charged by the executive director of the state board of tax appeals for a complaint filed pursuant to this paragraph. The governing body of the taxing subdivision making the levy that is the subject of the complaint shall be a party to the proceeding. Notice of any summary proceeding or hearing shall be served upon such governing body, the county clerk, the director of accounts and reports and the complaining party. It shall be the duty of the governing body to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity of such levy. If upon a summary proceeding or hearing, it shall be made to appear to the satisfaction of the board that the governing body of the taxing subdivision did not comply with subsection (b), the state board of tax appeals shall order such governing body to refund to taxpayers the amount of property taxes over collected or reduce the taxes levied, if uncollected. The provisions of this subsection shall not be construed as prohibiting any other remedies available under the law.*

(d) *On and after January 1, 2022, in the event that the 20 mills levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year and such amount of increase in revenue generated from the 20 mills is the only reason the school district would exceed the total property tax revenue from the prior year, the school district shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate to take into account the increase in revenue from only the 20 mills.*

(e) (1) Notwithstanding any other provision of law to the contrary, if the governing body of a taxing subdivision must conduct a public hearing to approve exceeding the revenue neutral rate under this section, the governing body of the taxing subdivision shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

(2) *If a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and certifies to the county clerk an amount of ad valorem tax to be levied that would result in a tax rate in*

*excess of its revenue neutral rate, the county clerk shall reduce the ad valorem tax to be levied to the amount resulting from such taxing subdivision's revenue neutral rate.*

~~(e)~~(f) As used in this section:

(1) "Taxing subdivision" means any political subdivision of the state that levies an ad valorem tax on property.

(2) "Revenue neutral rate" means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation. To calculate the revenue neutral rate, the county clerk shall divide the property tax revenue for such taxing subdivision levied for the previous tax year by the total of all taxable assessed valuation in such taxing subdivision for the current tax year, and then multiply the quotient by 1,000 to express the rate in mills. The revenue neutral rate shall be expressed to the third decimal place.

~~(f)~~(g) In the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to K.S.A. 2021 Supp. 79-2989, and amendments thereto, such county clerk may seek reimbursement from all taxing subdivisions required to send the notice. Such costs shall be shared proportionately by all taxing subdivisions that were included on the same notice based on the total property tax levied by each taxing subdivision. Payment of such costs shall be due to the county clerk by December 31.

~~(g) The provisions of this section shall take effect and be in force from and after January 1, 2021.~~

(h) *The department of administration or the director of accounts and reports shall make copies of adopted budgets, budget certificates, other budget documents and revenue neutral rate documents available to the public on the department of administration's website on a permanently accessible web page that may be accessed via a conspicuous link to that web page placed on the front page of the department's website. The department of administration or the director of accounts and reports shall also make the following information for each tax year available on such website:*

- (1) A list of taxing subdivisions by county;*
- (2) whether each taxing subdivision conducted a hearing to consider exceeding its revenue neutral rate;*
- (3) the revenue neutral rate of each taxing subdivision;*
- (4) the tax rate resulting from the adopted budget of each taxing subdivision; and*
- (5) the percent change between the revenue neutral rate and the tax rate for each taxing subdivision.*

Sec. 38. K.S.A. 79-3220 is hereby amended to read as follows: 79-3220. (a) (1) Each individual required to file a federal income tax return and any other individual whose gross income exceeds the sum of such individual's applicable Kansas standard deduction amount and Kansas personal exemption amount shall each make and sign a return or statement stating specifically such items as are required by the forms and rules and regulations of the secretary of revenue. If any individual is unable to make a return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer. Notwithstanding any provision of the Kansas income tax act to the contrary, all individuals not required to file a Kansas income tax return hereunder shall not be liable for any tax imposed pursuant to such act.

(2) In accordance with the provisions of K.S.A. 75-5151a, and amendments thereto, an individual who is required to file a return may file such return by electronic means in a manner approved by the secretary of revenue. A paid preparer who prepares 50 or more returns per year shall file by electronic means not less than 90% of such returns eligible for electronic filing. The requirements of this subsection may be waived by the secretary of revenue for a paid preparer if the paid preparer demonstrates a hardship in complying with the requirements of this subsection.

(3) *For purposes of this subsection, a nonresident individual or fiduciary whose only source of income from this state is income from an electing pass-through entity under the salt parity act shall not be required to file a return.*

(b) Every corporation subject to taxation under this act, including, but not limited to, all farmers, fruit growers, or like associations organized and operated on a cooperative basis, except electric cooperative exclusively engaged in the manufacture or distribution of electric power for their members, shall make a return, or statement stating specifically such items as may be required by the forms and regulations of the secretary of revenue. The return shall be signed by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other officer so authorized to act. The fact that an individual's name is signed on a return shall be prima facie evidence that such individual is authorized to sign such return on behalf of such corporation. In cases where receivers, trustees in bankruptcy or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns shall be collected in the same manner as if collected from the corporation for which the return is made.

(c) Every fiduciary, except a receiver appointed by authority of law in possession of part only of the property of an individual shall make and sign a return for each of the individuals, estates, or trusts for which the fiduciary acts, when such returns are required by the provisions of this act, stating specifically such items as may be required by the forms and regulations of the secretary of revenue. In the case of joint fiduciaries, whether residents or nonresidents, a return may be made by any one and shall be sufficient compliance with the above requirements. Any fiduciary required to make a return under this act shall be subject to all of the provisions of law which apply to individuals.

(d) Every partnership shall make a return for each taxable year, stating specifically such items as may be required by the forms and regulations of the secretary of revenue. The returns shall be signed by any one of the partners.

Sec. 39. K.S.A. 79-32,111 is hereby amended to read as follows: 79-32,111. (a) The amount of income tax paid to another state by a resident individual, resident estate or resident trust on income derived from sources in another state, and included in Kansas adjusted gross income, shall be allowed as a credit against the tax computed under the provisions of this act. Such credit shall not be greater in proportion to the tax computed under this act than the Kansas adjusted gross income for such year derived in another state while such taxpayer is a resident of this state is to the total Kansas adjusted gross income of the taxpayer. As used in this subsection, "state" ~~shall have the meaning ascribed thereto~~ means the same as defined by ~~subsection (h) of~~ K.S.A. 79-3271(i), and amendments thereto. The credit allowable hereunder for income tax paid to a foreign country or political subdivision thereof shall not exceed the difference of such income tax paid less the credit allowable for such income tax paid by the federal internal revenue code. No redetermination of income tax paid for the purposes of determining the credit allowed by this subsection shall be required for the taxable year for which an income tax refund payment pursuant to the provisions of section 18 of article 10 of the Missouri constitution is made, but the income tax paid allowable for credit in the next following taxable year shall be reduced by the amount of such refund amount, except that, for tax year 1998, the income tax paid allowable for credit shall be reduced by the amount of such refunds made for all taxable years prior to tax year 1998.

(b) There shall be allowed as a credit against the tax computed under the provisions of the Kansas income tax act, and amendments thereto, on the Kansas taxable income of an individual, corporation or

fiduciary the amount determined under the provisions of K.S.A. 79-32,153 to 79-32,158, and amendments thereto.

*(c) For purposes of subsection (a), the amount of income tax paid to another state by an S corporation or partnership that is included in Kansas adjusted gross income of a resident individual, resident estate or resident trust who is a member, shareholder or partner of such S corporation or partnership shall be considered income tax paid to another state by such resident individual, resident estate or resident trust.*

Sec. 40. K.S.A. 79-32,121 is hereby amended to read as follows: 79-32,121. *(a) An individual shall be allowed a Kansas exemption of \$2,250 for tax year 1998, and all tax years thereafter, for each exemption for which such individual is entitled to a deduction for the taxable year for federal income tax purposes. In addition to the exemptions authorized in the foregoing provision, an individual filing a federal income tax return under the status of head of household, as the same is defined by 26 U.S.C. § 2(b), shall be allowed an additional Kansas exemption of \$2,250 for tax year 1998.*

*(b) In addition to the exemptions provided in subsection (a), any individual who has been honorably discharged from active service in any branch of the armed forces of the United States and who is certified by the United States department of veterans affairs or its successor to be in receipt of disability compensation at the 100% rate, if the disability is permanent and was sustained through military action or accident or resulted from disease contracted while in such active service, such individual shall be allowed an additional Kansas exemption of \$2,250 for tax year 2023 and all tax years thereafter.*

Sec. 41. K.S.A. 79-32,182b is hereby amended to read as follows: 79-32,182b. *(a) For all taxable years commencing after December 31, 2000 2022, a credit shall be allowed against the tax imposed by the Kansas income tax act on the Kansas taxable income of a taxpayer for expenditures in research and development activities conducted within this state in an amount equal to ~~6<sup>1</sup>/<sub>2</sub>%~~ 10% of the amount by which the amount expended for such activities in the taxable year of the taxpayer exceeds the taxpayer's average of the actual expenditures for such purposes made in such taxable year and the next preceding two taxable years.*

*(b) In any one taxable year, the amount of such credit allowable for deduction from the taxpayer's tax liability shall not exceed 25% of the total amount of such credit plus any applicable carry forward amount. The amount by which that portion of the credit allowed by subsections (a) and (b) to be claimed in any one taxable year exceeds the taxpayer's tax liability in such year may be carried forward until the total amount of the credit is used.*

*(c) As used in this section, the term "expenditures in research and development activities" means expenditures made for such purposes, other than expenditures of moneys made available to the taxpayer pursuant to federal or state law, which are treated as expenses allowable for deduction under the provisions of the federal internal revenue code of 1986, as amended, except that for taxable years commencing after December 31, 2013, expenditures in research and development activities shall not include any expenditures for the performance of any abortion, as defined in K.S.A. 65-6701, and amendments thereto.*

*(d) For tax year 2013 and all tax years thereafter, the income tax credit provided by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110, and amendments thereto, and shall be applied only against such taxpayer's corporate income tax liability. For tax year 2023 and all tax years thereafter, the income tax credit allowed pursuant to this section shall be transferable by a taxpayer without a current tax liability. The tax credit may be transferred to any person and be claimed by the transferee as a credit against the transferee's Kansas income tax liability in the tax year when it was transferred. The credit shall be claimed and may be carried forward by*

*the transferee as provided and limited by subsection (b). No person shall be entitled to a refund for the transferred tax credit. Only the full credit may be transferred, and the credit may only be transferred one time. Documentation of any credit acquired by transfer shall be provided by the taxpayer or the transferee in the manner required by the secretary of revenue.*

Sec. 42. K.S.A. 79-32,261 is hereby amended to read as follows: 79-32,261. (a) (1) On and after July 1, 2008, any taxpayer who contributes in the manner prescribed by this ~~section~~ *paragraph* to a community college located in Kansas for capital improvements, to a technical college for deferred maintenance or the purchase of technology or equipment or to a postsecondary educational institution located in Kansas for deferred maintenance, shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The tax credit allowed by this ~~section~~ *paragraph* is applicable for the tax year 2008 for any contributions made on and after July 1, 2008, and for the tax years 2009, 2010, 2011 and 2012 for any contributions made during the entire tax year. The amount of the credit allowed by this ~~section~~ *paragraph* shall not exceed 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. The amount of the credit allowed by this ~~section~~ *paragraph* shall not exceed 50% of the total amount contributed during the taxable year by the taxpayer to a postsecondary educational institution for such purposes. If the amount of the credit allowed by this ~~section~~ *paragraph* for a taxpayer who contributes to a community college or a technical college exceeds the taxpayer's income tax liability imposed by the Kansas income tax act, such excess amount shall be refunded to the taxpayer. If the amount of the tax credit for a taxpayer who contributes to a postsecondary educational institution exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the taxable year in which the contribution is made. Prior to the issuance of any tax credits pursuant to this ~~section~~ *paragraph*, the structure of the process in which contributions received by a community college, a technical college or a postsecondary educational institution qualify as tax credits allowed and issued pursuant to this ~~section~~ *paragraph* shall be developed by a community college, a technical college and a postsecondary educational institution in consultation with the secretary of revenue and the foundation or endowment association of any such community college, technical college or postsecondary educational institution in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

(2) *On and after July 1, 2022, any taxpayer who contributes in the manner prescribed by this paragraph to a community college or technical college located in Kansas for capital improvements, deferred maintenance or the purchase of technology or equipment shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The tax credit allowed by this paragraph is applicable for the tax year 2022 for any contributions made on and after July 1, 2022, and for the*

*tax years 2023, 2024, 2025 and 2026 for any contributions made during the entire tax year. The amount of the credit allowed by this paragraph shall equal 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. Prior to the issuance of any tax credits pursuant to this paragraph, the structure of the process in which contributions received by a community college or technical college qualify as tax credits allowed and issued pursuant to this paragraph shall be developed by a community college and technical college in consultation with the secretary of revenue and the foundation or endowment association of any such community college or technical college in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.*

(b) (1) Upon receipt of any ~~such~~ contributions to a community college made pursuant to the provisions of ~~this section~~ *subsection (a) (1)*, the treasurer of the community college shall deposit such contributions to the credit of the capital outlay fund of such community college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes described in ~~subsection (a)~~ of K.S.A. 71-501(a), and amendments thereto, except that expenditures shall not be made from such fund for new construction or the acquisition of real property for use as building sites or for educational programs.

(2) Upon receipt of any ~~such~~ contributions to a technical college made pursuant to the provisions of ~~this section~~ *subsection (a)(1)*, such contributions shall be deposited to the credit of a deferred maintenance fund or a technology and equipment fund established by the technical college which received the contribution. Expenditures from such fund shall be made only for the purpose as provided in ~~this~~ *subsection (b)(1)*.

(3) Upon receipt of any such contributions to a postsecondary educational institution made pursuant to the provisions of ~~this section~~ *subsection (a)(1)*, such contributions shall be deposited to the credit of the appropriate deferred maintenance support fund of the postsecondary educational institution ~~which~~ *that* received the contribution. Expenditures from such fund shall be made only for the purposes designated for such fund pursuant to law.

(4) *Upon receipt of any such contributions to a community college or technical college made pursuant to the provisions of subsection (a) (2), the treasurer of the community college or technical college shall deposit such contributions to the credit of the capital outlay fund of such community college or technical college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes designated for such fund pursuant to law.*

(c) (1) In no event shall the total amount of credits allowed under ~~this section~~ *subsection (a)(1)* for taxpayers who contribute to any one such community college or technical college exceed the following amounts: For the tax year 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$208,233.33.

(2) In no event shall the total of credits allowed under ~~this section~~ *subsection (a)(1)* for taxpayers who contribute to postsecondary educational institutions exceed the following amounts: For the tax year 2008, an amount not to exceed \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$15,000,000. Except as otherwise provided, the allocation of such tax credits for each individual state educational institution shall be determined by the state board of regents in consultation with the secretary of revenue and the university foundation or endowment association of each postsecondary educational institution, and such determination shall be completed prior to the issuance of any tax credits pursuant to ~~this section~~ *subsection (a)*



(1). Not more than 40% of the total of credits allowed under ~~this section subsection (a)(1)~~ shall be allocated to any one postsecondary educational institution unless all such postsecondary educational institutions approve an allocation to any one such postsecondary educational institution which exceeds 40% of the total of such credits allowed under ~~this section subsection (a)(1)~~.

(3) For the tax years 2022 through 2026, the amount of such credit awarded under subsection (a)(2) for each taxpayer shall not exceed \$250,000 per tax year.

(4) In no event shall the total of credits allowed under subsection (a)(2) for contributions to any one community college or technical college exceed \$500,000 per tax year.

(5) In no event shall the total of credits allowed under subsection (a)(2) exceed \$5,000,000 for each tax year that the credit remains in effect.

(d) As used in this section: (1) "Community college" means a community college established under the provisions of the community college act;

(2) "deferred maintenance" means the maintenance, repair, reconstruction or rehabilitation of a building located at a technical college or a postsecondary educational institution which has been deferred, any utility systems relating to such building, any life-safety upgrades to such building and any improvements necessary to be made to such building in order to comply with the requirements of the Americans with disabilities act or other federal or state law, except that for taxable years commencing after December 31, 2013, deferred maintenance shall not include any maintenance, repair, reconstruction or rehabilitation of any building in which any abortion, as defined in K.S.A. 65-6701, and amendments thereto, is performed;

(3) "postsecondary educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university, Fort Hays state university and Washburn university of Topeka; and

(4) "technical college" means a technical college as designated pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462 ~~and 74-32,464; and 74-32,465~~, and amendments thereto, ~~and the institute of technology at Washburn university.~~

(e) (1) Any taxpayer not subject to Kansas income, privilege or premiums tax who contributes to a community college, technical college or postsecondary educational institution, hereinafter designated the transferor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to this section. The sale price of a tax credit shall be at least 50% of the full value of the credit. Such credit shall be deemed to be allowed and earned by any such taxpayer which is only disqualified therefrom by reason of not being subject to such Kansas taxes. The taxpayer acquiring earned credits, hereinafter designated the transferee, may use the amount of the acquired credits to offset up to 100% of the taxpayer's income, privilege or premiums tax liability for the taxable year in which such acquisition was made. Such credits may be sold or transferred only one time and, if sold or transferred, shall be transferred in the tax year such credit is earned or the two successive tax years. A transferred credit shall be claimed in the year purchased. The transferor shall enter into a written agreement with the transferee establishing the terms and conditions of the sale or transfer and shall perfect such transfer by notifying the secretary of revenue in writing within 30 calendar days following the effective date of the transfer, subject to the review and approval or denial of such transfer by the secretary of revenue. The transferor and transferee shall provide any information pertaining to the sale or transfer as may be required by the secretary of revenue to administer and carry out the provisions of this section. The amount received by the transferor of such tax credit shall be taxable as income of the transferor, and the excess of the value of such credit over the amount paid by the

transferee for such credit shall be taxable as income of the transferee.

(2) *The provisions of this subsection shall not apply to tax credits earned pursuant to subsection (a)(2).*

(f) The secretary of revenue shall submit an annual report to the legislature to assist the legislature in the evaluation of the utilization of any credits claimed pursuant to this act, including information specific as to each community college, technical college or postsecondary educational institution. Such report shall be due on or before the first day of the legislative session following the tax year in which the credits were claimed.

(g) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this section.

Sec. 43. K.S.A. 2021 Supp. 79-32,267 is hereby amended to read as follows: 79-32,267. (a) For taxable years commencing after December 31, 2011, and before January 1, ~~2024~~ 2027, there shall be allowed as a credit against the tax liability of a resident individual taxpayer an amount equal to the resident individual's income tax liability under the provisions of the Kansas income tax act, when the resident individual:

(1) Establishes domicile in a rural opportunity zone on or after July 1, 2011, and prior to January 1, ~~2023~~ 2026, and was domiciled outside this state for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state;

(2) had Kansas source income less than \$10,000 in any one year for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state; and

(3) was domiciled in a rural opportunity zone during the entire taxable year for which such credit is claimed.

(b) A resident individual may claim the credit authorized by this section for not more than five consecutive years following establishment of their domicile in a rural opportunity zone.

(c) The maximum amount of any refund under this section shall be equal to the amount withheld from the resident individual's wages or payments other than wages pursuant to K.S.A. 79-3294 et seq., and amendments thereto, or paid by the resident individual as estimated taxes pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

(d) No credit shall be allowed under this section if:

(1) The resident individual's income tax return on which the credit is claimed is not timely filed, including any extension; or

(2) the resident individual is delinquent in filing any return with, or paying any tax due to, the state of Kansas or any political subdivision thereof.

(e) This section shall be a part of and supplemental to the Kansas income tax act.

Sec. 44. K.S.A. 2021 Supp. 79-3602 is hereby amended to read as follows: 79-3602. Except as otherwise provided, as used in the Kansas retailers' sales tax act:

(a) "Agent" means a person appointed by a seller to represent the seller before the member states.

(b) "Agreement" means the multistate agreement entitled the streamlined sales and use tax agreement approved by the streamlined sales tax implementing states at Chicago, Illinois on November 12, 2002.

(c) "Alcoholic beverages" means beverages that are suitable for human consumption and contain 0.05% or more of alcohol by volume.

(d) "Certified automated system (CAS)" means software certified under the agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state and maintain a record of the transaction.

(e) "Certified service provider (CSP)" means an agent certified under the agreement to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases.

(f) "Computer" means an electronic device that accepts

information in digital or similar form and manipulates it for a result based on a sequence of instructions.

(g) "Computer software" means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

(h) "Delivered electronically" means delivered to the purchaser by means other than tangible storage media.

(i) "Delivery charges" means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating and packing. Delivery charges shall not include charges for delivery of direct mail if the charges are separately stated on an invoice or similar billing document given to the purchaser.

(j) "Direct mail" means printed material delivered or distributed by United States mail or other delivery services to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. Direct mail includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. Direct mail does not include multiple items of printed material delivered to a single address.

(k) "Director" means the state director of taxation.

(l) "Educational institution" means any nonprofit school, college and university that offers education at a level above the 12<sup>th</sup> grade, and conducts regular classes and courses of study required for accreditation by, or membership in, the higher learning commission, the state board of education, or that otherwise qualify as an "educational institution," as defined by K.S.A. 74-50,103, and amendments thereto. Such phrase shall include: (1) A group of educational institutions that operates exclusively for an educational purpose; (2) nonprofit endowment associations and foundations organized and operated exclusively to receive, hold, invest and administer moneys and property as a permanent fund for the support and sole benefit of an educational institution; (3) nonprofit trusts, foundations and other entities organized and operated principally to hold and own receipts from intercollegiate sporting events and to disburse such receipts, as well as grants and gifts, in the interest of collegiate and intercollegiate athletic programs for the support and sole benefit of an educational institution; and (4) nonprofit trusts, foundations and other entities organized and operated for the primary purpose of encouraging, fostering and conducting scholarly investigations and industrial and other types of research for the support and sole benefit of an educational institution.

(m) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

(n) "Food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include alcoholic beverages or tobacco.

(o) "Gross receipts" means the total selling price or the amount received as defined in this act, in money, credits, property or other consideration valued in money from sales at retail within this state; and embraced within the provisions of this act. The taxpayer, may take credit in the report of gross receipts for: (1) An amount equal to the selling price of property returned by the purchaser when the full sale price thereof, including the tax collected, is refunded in cash or by credit; and (2) an amount equal to the allowance given for the trade-in of property.

(p) "Ingredient or component part" means tangible personal property that is necessary or essential to, and that is actually used in and becomes an integral and material part of tangible personal property

or services produced, manufactured or compounded for sale by the producer, manufacturer or compounder in its regular course of business. The following items of tangible personal property are hereby declared to be ingredients or component parts, but the listing of such property shall not be deemed to be exclusive nor shall such listing be construed to be a restriction upon, or an indication of, the type or types of property to be included within the definition of "ingredient or component part" as herein set forth:

(1) Containers, labels and shipping cases used in the distribution of property produced, manufactured or compounded for sale that are not to be returned to the producer, manufacturer or compounder for reuse.

(2) Containers, labels, shipping cases, paper bags, drinking straws, paper plates, paper cups, twine and wrapping paper used in the distribution and sale of property taxable under the provisions of this act by wholesalers and retailers and that is not to be returned to such wholesaler or retailer for reuse.

(3) Seeds and seedlings for the production of plants and plant products produced for resale.

(4) Paper and ink used in the publication of newspapers.

(5) Fertilizer used in the production of plants and plant products produced for resale.

(6) Feed for animals, fowl and aquatic plants and animals, the primary purpose of which is use in agriculture or aquaculture, as defined in K.S.A. 47-1901, and amendments thereto, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber, fur, or the production of offspring for use for any such purpose or purposes.

(q) "Isolated or occasional sale" means the nonrecurring sale of tangible personal property, or services taxable hereunder by a person not engaged at the time of such sale in the business of selling such property or services. Any religious organization that makes a nonrecurring sale of tangible personal property acquired for the purpose of resale shall be deemed to be not engaged at the time of such sale in the business of selling such property. Such term shall include: (1) Any sale by a bank, savings and loan institution, credit union or any finance company licensed under the provisions of the Kansas uniform consumer credit code of tangible personal property that has been repossessed by any such entity; and (2) any sale of tangible personal property made by an auctioneer or agent on behalf of not more than two principals or households if such sale is nonrecurring and any such principal or household is not engaged at the time of such sale in the business of selling tangible personal property.

(r) "Lease or rental" means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend.

(1) Lease or rental does not include: (A) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

(B) a transfer or possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price does not exceed the greater of \$100 or 1% of the total required payments; or

(C) providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subsection, an operator must do more than maintain, inspect or set-up the tangible personal property.

(2) Lease or rental does include agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

(3) This definition shall be used for sales and use tax purposes regardless if a transaction is characterized as a lease or rental under generally accepted accounting principles, the internal revenue code, the uniform commercial code, K.S.A. 84-1-101 et seq., and amendments thereto, or other provisions of federal, state or local law.

(4) This definition will be applied only prospectively from the effective date of this act and will have no retroactive impact on existing leases or rentals.

(s) "Load and leave" means delivery to the purchaser by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.

(t) "Member state" means a state that has entered in the agreement, pursuant to provisions of article VIII of the agreement.

(u) "Model 1 seller" means a seller that has selected a CSP as its agent to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases.

(v) "Model 2 seller" means a seller that has selected a CAS to perform part of its sales and use tax functions, but retains responsibility for remitting the tax.

(w) "Model 3 seller" means a seller that has sales in at least five member states, has total annual sales revenue of at least \$500,000,000, has a proprietary system that calculates the amount of tax due each jurisdiction and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this subsection a seller includes an affiliated group of sellers using the same proprietary system.

(x) "Municipal corporation" means any city incorporated under the laws of Kansas.

(y) "Nonprofit blood bank" means any nonprofit place, organization, institution or establishment that is operated wholly or in part for the purpose of obtaining, storing, processing, preparing for transfusing, furnishing, donating or distributing human blood or parts or fractions of single blood units or products derived from single blood units, whether or not any remuneration is paid therefor, or whether such procedures are done for direct therapeutic use or for storage for future use of such products.

(z) "Persons" means any individual, firm, copartnership, joint adventure, association, corporation, estate or trust, receiver or trustee, or any group or combination acting as a unit, and the plural as well as the singular number; and shall specifically mean any city or other political subdivision of the state of Kansas engaging in a business or providing a service specifically taxable under the provisions of this act.

(aa) "Political subdivision" means any municipality, agency or subdivision of the state that is, or shall hereafter be, authorized to levy taxes upon tangible property within the state or that certifies a levy to a municipality, agency or subdivision of the state that is, or shall hereafter be, authorized to levy taxes upon tangible property within the state. Such term also shall include any public building commission, housing, airport, port, metropolitan transit or similar authority established pursuant to law and the horsethief reservoir benefit district established pursuant to K.S.A. 82a-2201, and amendments thereto.

(bb) "Prescription" means an order, formula or recipe issued in any form of oral, written, electronic or other means of transmission by a duly licensed practitioner authorized by the laws of this state.

(cc) "Prewritten computer software" means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten computer software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the purchaser. Where a person modifies or enhances computer software of which the person is not the author or creator, the

person shall be deemed to be the author or creator only of such person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software, except that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute prewritten computer software.

(dd) "Property which is consumed" means tangible personal property that is essential or necessary to and that is used in the actual process of and consumed, depleted or dissipated within one year in: (1) The production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property; (2) the providing of services; (3) the irrigation of crops, for sale in the regular course of business; or (4) the storage or processing of grain by a public grain warehouse or other grain storage facility, and which is not reusable for such purpose. The following is a listing of tangible personal property, included by way of illustration but not of limitation, that qualifies as property that is consumed:

(A) Insecticides, herbicides, germicides, pesticides, fungicides, fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and chemicals for use in commercial or agricultural production, processing or storage of fruit, vegetables, feeds, seeds, grains, animals or animal products whether fed, injected, applied, combined with or otherwise used;

(B) electricity, gas and water; and

(C) petroleum products, lubricants, chemicals, solvents, reagents and catalysts.

(ee) "Purchase price" applies to the measure subject to use tax and has the same meaning as sales price.

(ff) "Purchaser" means a person to whom a sale of personal property is made or to whom a service is furnished.

(gg) "Quasi-municipal corporation" means any county, township, school district, drainage district or any other governmental subdivision in the state of Kansas having authority to receive or hold moneys or funds.

(hh) "Registered under this agreement" means registration by a seller with the member states under the central registration system provided in article IV of the agreement.

(ii) "Retailer" means a seller regularly engaged in the business of selling, leasing or renting tangible personal property at retail or furnishing electrical energy, gas, water, services or entertainment, and selling only to the user or consumer and not for resale.

(jj) "Retail sale" or "sale at retail" means any sale, lease or rental for any purpose other than for resale, sublease or subrent.

(kk) "Sale" or "sales" means the exchange of tangible personal property, as well as the sale thereof for money, and every transaction, conditional or otherwise, for a consideration, constituting a sale, including the sale or furnishing of electrical energy, gas, water, services or entertainment taxable under the terms of this act and including, except as provided in the following provision, the sale of the use of tangible personal property by way of a lease, license to use or the rental thereof regardless of the method by which the title, possession or right to use the tangible personal property is transferred. The term "sale" or "sales" shall not mean the sale of the use of any tangible personal property used as a dwelling by way of a lease or rental thereof for a term of more than 28 consecutive days.

(ll) (1) "Sales or selling price" applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property and services, for which personal property or services are sold, leased or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

(A) The seller's cost of the property sold;

(B) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller and any other expense of the seller;

(C) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(D) delivery charges *that are not separately stated on the invoice, bill of sale or similar document given to the purchaser*; and

(E) installation charges.

(2) "Sales or selling price" includes consideration received by the seller from third parties if:

(A) The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(B) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(C) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(D) one of the following criteria is met:

(i) The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon, certificate or documentation is authorized, distributed or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;

(ii) the purchaser identifies to the seller that the purchaser is a member of a group or organization entitled to a price reduction or discount. A preferred customer card that is available to any patron does not constitute membership in such a group; or

(iii) the price reduction or discount is identified as a third party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser.

(3) "Sales or selling price" shall not include:

(A) Discounts, including cash, term or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;

(B) interest, financing and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale or similar document given to the purchaser;

(C) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale or similar document given to the purchaser;

(D) the amount equal to the allowance given for the trade-in of property, if separately stated on the invoice, billing or similar document given to the purchaser; ~~and~~

(E) ~~commencing on July 1, 2018, and ending on June 30, 2024,~~ cash rebates granted by a manufacturer to a purchaser or lessee of a new motor vehicle if paid directly to the retailer as a result of the original sale; *and*

(F) *delivery charges that are separately stated on the invoice, bill of sale or similar document given to the purchaser.*

(mm) "Seller" means a person making sales, leases or rentals of personal property or services.

(nn) "Service" means those services described in and taxed under the provisions of K.S.A. 79-3603, and amendments thereto.

(oo) "Sourcing rules" means the rules set forth in K.S.A. 79-3670 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments thereto, that shall apply to identify and determine the state and local taxing jurisdiction sales or use taxes to pay, or collect and remit on a particular retail sale.

(pp) "Tangible personal property" means personal property that can be seen, weighed, measured, felt or touched, or that is in any other

manner perceptible to the senses. Tangible personal property includes electricity, water, gas, steam and prewritten computer software.

(qq) "Taxpayer" means any person obligated to account to the director for taxes collected under the terms of this act.

(rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or any other item that contains tobacco.

(ss) "Entity-based exemption" means an exemption based on who purchases the product or who sells the product. An exemption that is available to all individuals shall not be considered an entity-based exemption.

(tt) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The over-the-counter drug label includes: (1) A drug facts panel; or (2) a statement of the active ingredients with a list of those ingredients contained in the compound, substance or preparation. Over-the-counter drugs do not include grooming and hygiene products such as soaps, cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan lotions and screens.

(uu) "Ancillary services" means services that are associated with or incidental to the provision of telecommunications services, including, but not limited to, detailed telecommunications billing, directory assistance, vertical service and voice mail services.

(vv) "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunications services used to reach the conference bridge.

(ww) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

(xx) "Directory assistance" means an ancillary service of providing telephone number information or address information, or both.

(yy) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, that offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

(zz) "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.

(aaa) "Telecommunications service" means the electronic transmission, conveyance or routing of voice, data, audio, video or any other information or signals to a point, or between or among points. The term telecommunications service includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmissions, conveyance or routing without regard to whether such service is referred to as voice over internet protocol services or is classified by the federal communications commission as enhanced or value added. Telecommunications service does not include:

(1) Data processing and information services that allow data to be generated, acquired, stored, processed or retrieved and delivered by an electronic transmission to a purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;

(2) installation or maintenance of wiring or equipment on a customer's premises;

(3) tangible personal property;

(4) advertising, including, but not limited to, directory advertising;

(5) billing and collection services provided to third parties;

(6) internet access service;

(7) radio and television audio and video programming services,



regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

(8) ancillary services; or

(9) digital products delivered electronically, including, but not limited to, software, music, video, reading materials or ring tones.

(bbb) "800 service" means a telecommunications service that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name 800, 855, 866, 877 and 888 toll-free calling, and any subsequent numbers designated by the federal communications commission.

(ccc) "900 service" means an inbound toll telecommunications service purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. 900 service does not include the charge for collection services provided by the seller of the telecommunications services to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name 900 service, and any subsequent numbers designated by the federal communications commission.

(ddd) "Value-added non-voice data service" means a service that otherwise meets the definition of telecommunications services in which computer processing applications are used to act on the form, content, code or protocol of the information or data primarily for a purpose other than transmission, conveyance or routing.

(eee) "International" means a telecommunications service that originates or terminates in the United States and terminates or originates outside the United States, respectively. United States includes the District of Columbia or a U.S. territory or possession.

(fff) "Interstate" means a telecommunications service that originates in one United States state, or a United States territory or possession, and terminates in a different United States state or a United States territory or possession.

(ggg) "Intrastate" means a telecommunications service that originates in one United States state or a United States territory or possession, and terminates in the same United States state or a United States territory or possession.

(hhh) "Cereal malt beverage" shall have the same meaning as such term is defined in K.S.A. 41-2701, and amendments thereto, except that for the purposes of the Kansas retailers sales tax act and for no other purpose, such term shall include beer containing not more than 6% alcohol by volume when such beer is sold by a retailer licensed under the Kansas cereal malt beverage act.

(iii) "Nonprofit integrated community care organization" means an entity that is:

(1) Exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(2) certified to participate in the medicare program as a hospice under 42 C.F.R. § 418 et seq. and focused on providing care to the aging and indigent population at home and through inpatient care, adult daycare or assisted living facilities and related facilities and services across multiple counties; and

(3) approved by the Kansas department for aging and disability services as an organization providing services under the program of all-inclusive care for the elderly as defined in 42 U.S.C. § 1396u-4 and regulations implementing such section.

Sec. 45. K.S.A. 79-3606d is hereby amended to read as follows: 79-3606d. (a) (1) The following shall be exempt from the tax imposed by the Kansas retailers' sales tax act: All sales of tangible personal property and services purchased ~~during calendar years 2017 and 2018~~

*on and after January 1, 2021, and purchased within two years of the date of the applicable disaster declaration necessary to reconstruct, repair or replace any fence that was damaged or destroyed by ~~wildfires~~ a wildfire, flood, tornado or other natural disaster occurring ~~during calendar years 2016 and 2017~~ on and after January 1, 2021, and the purpose for which is to enclose land devoted to agricultural use.*

*(2) A taxpayer shall be eligible for the exemption pursuant to this section if the affected property containing the damaged or destroyed fencing is located within an area declared to be a disaster by the federal, state or local government.*

*(3) Sales tax paid on and after January 1, ~~2017~~ 2021, upon the gross receipts received from any such sale shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this section. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee. Any person reconstructing, repairing or replacing such property, or any person who shall contract for the reconstruction, repair or replacement of any such property shall obtain from the state an exemption certificate for the project involved. The certificate shall be furnished to the person or contractor to purchase materials and lease machinery and equipment for such project. The person or contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the person that obtained the exemption certificate, a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection.*

*~~(b)~~(4) As used in this subsection, "wildfire" means a fire that spreads rapidly over grassland, woodland or brush creating unwanted and unplanned destruction.*

*(b) On and after July 1, 2022, all sales of tangible personal property and services necessary to construct, reconstruct, repair or replace any fence that is used to enclose land devoted to agricultural use shall be exempt from the tax imposed by the Kansas retailers' sales tax act.*

*(c) The provisions of this section shall be ~~deemed to be a part of~~ supplemental to the Kansas retailers' sales tax act.*

Sec. 46. K.S.A. 79-4502 is hereby amended to read as follows: 79-4502. As used in this act, unless the context clearly indicates otherwise:

(a) "Income" means the sum of adjusted gross income under the Kansas income tax act effective for tax year 2013 and thereafter without regard to any modifications pursuant to K.S.A. 79-32,117(b) (xx) through (xxiii) and (c)(xx), and amendments thereto, maintenance, support money, cash public assistance and relief, not including any refund granted under this act, the gross amount of any pension or annuity, including all monetary retirement benefits from whatever source derived, including but not limited to, all payments received under the railroad retirement act, except disability payments, payments received under the federal social security act, except that for determination of what constitutes income such amount shall not exceed 50% of any such social security payments and shall not include any social security payments to a claimant who prior to attaining full retirement age had been receiving disability payments under the federal social security act in an amount not to exceed the amount of such disability payments or 50% of any such social security payments, whichever is greater, all dividends and interest from whatever source derived not included in adjusted gross income, workers compensation and the gross amount of "loss of time" insurance. Income does not include gifts from nongovernmental sources or surplus food or other

relief in kind supplied by a governmental agency, nor shall net operating losses and net capital losses be considered in the determination of income. Income does not include veterans disability pensions. Income does not include disability payments received under the federal social security act.

(b) "Household" means a claimant, a claimant and spouse who occupy the homestead or a claimant and one or more individuals not related as husband and wife who together occupy a homestead.

(c) "Household income" means all income received by all persons of a household in a calendar year while members of such household.

(d) "Homestead" means the dwelling, or any part thereof, owned and occupied as a residence by the household and so much of the land surrounding it, as defined as a home site for ad valorem tax purposes, and may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built or a manufactured home or mobile home and the land upon which it is situated. "Owned" includes a vendee in possession under a land contract, a life tenant, a beneficiary under a trust and one or more joint tenants or tenants in common.

(e) "Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (1) *For purposes of a claim under K.S.A. 79-4508, and amendments thereto: (A) A person having a disability; (B) a person who is 55 years of age or older; (C) a disabled veteran; (D) the surviving spouse of active duty military personnel who died in the line of duty; or (E) a person other than a person included under (A), (B), (C) or (D) having one or more dependent children under 18 years of age residing at the person's homestead during the calendar year immediately preceding the year in which a claim is filed under this act; or (2) for purposes of a claim under section 17, and amendments thereto: (A) A person who is 65 years of age or older; or (B) a disabled veteran.* The surviving spouse of a disabled veteran who was receiving benefits pursuant to subsection ~~(e)(3) of this section~~ (e)(1)(C) at the time of the veterans' death, shall be eligible to continue to receive benefits until such time the surviving spouse remarries.

When a homestead is occupied by two or more individuals and more than one of the individuals is able to qualify as a claimant, the individuals may determine between them as to whom the claimant will be. If they are unable to agree, the matter shall be referred to the secretary of revenue whose decision shall be final.

(f) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on a claimant's homestead in 1979 or any calendar year thereafter by the state of Kansas and the political and taxing subdivisions of the state. When a homestead is owned by two or more persons or entities as joint tenants or tenants in common and one or more of the persons or entities is not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead that reflects the ownership percentage of the claimant's household. For purposes of this act, property taxes are "levied" when the tax roll is delivered to the local treasurer with the treasurer's warrant for collection. When a claimant and household own their homestead part of a calendar year, "property taxes accrued" means only taxes levied on the homestead when both owned and occupied as a homestead by the claimant's household at the time of the levy, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead in the year. When a household owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall be the sum of the taxes allocable to those several properties while occupied by the household as its homestead during the year. Whenever a homestead is an integral part of a larger unit such as a multi-purpose or multi-dwelling building, property taxes accrued shall

be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For the purpose of this act, the word "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

(g) "Disability" means:

(1) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, and an individual shall be determined to be under a disability only if the physical or mental impairment or impairments are of such severity that the individual is not only unable to do the individual's previous work but cannot, considering age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which the individual lives or whether a specific job vacancy exists for the individual, or whether the individual would be hired if application was made for work. For purposes of the preceding sentence (with respect to any individual), "work which exists in the national economy" means work which exists in significant numbers either in the region where the individual lives or in several regions of the country; for purposes of this subsection, a "physical or mental impairment" is an impairment that results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques; or

(2) blindness and inability by reason of blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which the individual has previously engaged with some regularity and over a substantial period of time.

(h) "Blindness" means central visual acuity of  $20/200$  or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for the purpose of this paragraph as having a central visual acuity of  $20/200$  or less.

(i) "Disabled veteran" means a person who is a resident of Kansas and has been honorably discharged from active service in any branch of the armed forces of the United States or Kansas national guard and who has been certified by the United States department of veterans affairs or its successor to have a 50% or greater permanent disability sustained through military action or accident or resulting from disease contracted while in such active service.

Sec. 47. K.S.A. 79-4508 is hereby amended to read as follows: 79-4508. (a) Commencing in the tax year beginning after December 31, 2005, the amount of any claim pursuant to this act *and under this section* shall be computed by deducting the amount computed under column (2) from the amount of claimant's property tax accrued.

(1) Claimant's household income		(2) Deduction from property tax accrued
At least \$0	But not more than \$6,000	\$0
6,001	7,000	4%
7,001	16,000	4% plus 4% of every \$1,000, or fraction thereof, of income in excess of \$7,001
16,001	27,000	40% plus 5% of every \$1,000, or fraction thereof, of income in excess of \$16,001
27,001	27,600	95%

(b) The director of taxation shall prepare a table under which claims under this act *and this section* shall be determined. The amount of claim for each bracket shall be computed only to the nearest \$1.

(c) The claimant may elect not to record the amount claimed on the claim. The claim allowable to persons making this election shall be computed by the department which shall notify the claimant by mail of the amount of the allowable claim.

(d) In the case of all tax years commencing after December 31, 2004, the upper limit threshold amount prescribed in this section, shall be increased by an amount equal to such threshold amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

Sec. 48. K.S.A. 79-4509 is hereby amended to read as follows: 79-4509. (a) In the event property taxes accrued exceeds \$700 for a household in any one year, the amount thereof shall, for purposes of this act, be deemed to have been \$700.

(b) *The provisions of subsection (a) shall not apply to a claim for refund pursuant to section 17, and amendments thereto.*

Sec. 49. K.S.A. 79-224, 79-1476, 79-1613, 79-2930, 79-3220, 79-32,111, 79-32,121, 79-32,182b, 79-32,261, 79-3606d, 79-4502, 79-4508 and 79-4509 and K.S.A. 2021 Supp. 12-187, 12-189, 12-192, 74-50,223, 79-201x, 79-2988, 79-32,267 and 79-3602 are hereby repealed.

Sec. 50. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

\_\_\_\_\_  
HOUSE adopted  
Conference Committee Report\_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

SENATE adopted  
Conference Committee Report\_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*