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

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

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

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

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

(2) Upon the conclusion of the public hearing, the board may adopt
the resolution as proposed or as modified at such hearing. The resolution shall specify the sales tax rate and the costs, expenses or projects for which the revenue from the sales tax will be used. The resolution shall be published in a newspaper of general circulation within the district at least once a week for a period of at least three weeks and on the official website of the district for a period of at least three weeks.

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

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

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

(f) Any increase in the rate of such tax shall be accomplished under the conditions and in the manner provided herein for the adoption and approval of such tax. The reduction or repeal of a retailers' sales tax imposed pursuant to this section may be accomplished by the adoption of a
resolution of the board so providing and shall not require approval by the
electors within the district. All revenue received by the district from its
retailers' sales tax shall be used solely for the purpose or purposes
specified in the resolution imposing such tax by the board and the
qualified electors of the district. If the tax imposed pursuant to this section
or a portion thereof has been pledged for a specific project or projects,
such tax or such portion thereof shall expire when sales tax sufficient to
pay all of the costs incurred in the financing of such project or projects has
been collected by retailers as determined by the secretary of revenue.

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

(2) The secretary of revenue is authorized to administer, enforce and
collect the district retailers' sales tax approved pursuant to the provisions
of this section and to adopt such rules and regulations necessary for the
efficient and effective administration, enforcement and collection thereof.
The director of taxation shall cause such taxes to be collected within the
boundaries of the district at the same time and in the same manner as
provided for the collection of the state retailers' sales tax. All moneys
collected by the director of taxation pursuant to the provisions of this
section shall be remitted 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 Sherwood improvement district
retailers' sales tax fund, which fund is hereby established in the state
treasury. Any refund due on any tax collected pursuant to this section shall
be paid out of the Sherwood improvement district retailers' sales tax refund
fund, which fund is hereby established in the state treasury, and
reimbursement to such fund shall be made by the director of taxation from
collections of the tax revenue from the district. All moneys collected
pursuant to this section for the improvement district shall be remitted at
least quarterly by the state treasurer to the district and as requested by the
board.

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

(i) Any retailers' sales tax imposed by the Sherwood improvement
district shall terminate if the improvement district is abolished pursuant to
the provisions of K.S.A. 19-2786d, and amendments thereto, and the
annexing or incorporating city shall assume any debts, liabilities or
obligations financed by such tax.

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

New Sec. 3. The secretary of revenue, in connection with the
Sherwood improvement district retailers' sales tax, if authorized and
imposed pursuant to the provisions of section 1, and amendments thereto,
and where revenues from such district retailers' sales tax are pledged or
otherwise intended to be used in whole or in part for the payment of bonds
issued to finance project costs in such district for which a district sales tax
has been imposed, shall provide reports identifying each retailer having a
place of business in such district, 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 within the
district. Such report shall be made available to the bond trustee, escrow
agent or paying agent for such bonds within a reasonable time after it has
been requested from the director of taxation. The bond trustee, escrow
agent or paying agent shall keep such district retailers' sales tax returns and
the information contained therein confidential, but may use such
information for purposes of allocating and depositing such district retailers'
sales tax revenues in connection with the bonds used to finance the costs
of the project in the district. Except as otherwise provided, the district
retailers' sales tax returns received by the bond trustee, escrow agent or
paying agent shall be subject to the confidentiality requirement provisions
of K.S.A. 79-3614, and amendments thereto.

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

(a) Adopt a seal.

(b) Be sued and to sue by its corporate name.

(c) Adopt resolutions prescribing the manner in which the powers of
the district shall be carried out, and generally regulating the affairs of the
district.

(d) Plan and construct or to purchase public works and improvements
necessary for public health, recreation, convenience or welfare within the
limits of the improvement district. Also to construct or purchase works
outside the limits of the district which may be necessary to secure outlets,
disposal, etc., and permit satisfactory performance of the works within the
district.
(e) Purchase, hold, sell and convey real estate and other property.

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

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

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

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

(4) Any improvement district may annually levy and collect a general tax not exceeding six mills on all taxable tangible property within the district to create a general fund, but no levy in excess of five mills may be made unless the board of directors of such improvement district has published a resolution authorizing a levy in excess of five mills once each week for three consecutive weeks in a newspaper of general circulation within the district. If within 30 days after the last publication of such resolution, a petition protesting such levy, signed by qualified electors of the improvement district equal in number to not less than 10% of the electors voting at the last improvement district election for directors, is filed with the county clerk of the county in which such improvement district is located, no levy in excess of five mills may be made. If no petition protesting the levy in excess of five mills is filed within the prescribed time, the improvement district may, annually thereafter, levy such general tax not exceeding six mills.
(h) Levy assessments and special taxes, if deemed expedient by the directors, upon all of the real estate in the district that may be benefited by special works and improvements including the improvement and maintenance of roads in the district, which will be conducive to the public health, convenience or welfare.

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

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

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

(l) Make all contracts and do all other acts in relation to the affairs of the district necessary to the proper exercise of its corporate legislative or administrative powers and to the accomplishment of the purpose of its organization.
(m) Purchase or acquire outdoor emergency warning sirens.

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

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

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

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

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

(s) Adopt resolutions providing for the assessment of unpaid bills or charges for utility services provided by the district against the property receiving the service. Such assessments shall be certified by the secretary
of the board of directors of the district to the county clerk of the county in which the property is located, to be placed upon the tax roll for collection at the same time and in the same manner as ad valorem property tax levies are collected and shall be subject to the same penalties and the same procedure for collection as is prescribed by law for the collection of such ad valorem property taxes. Any unpaid costs assessed pursuant to this subsection shall become a lien upon the property from the date of assessment thereof.

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

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

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

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