SENATE BILL No. 396

By Committee on Assessment and Taxation

AN ACT concerning sales taxation; relating to countywide retailers' sales tax; discontinuing apportionment of revenue received for general purposes between the county and cities located therein; amending K.S.A. 2019 Supp. 12-192 and repealing the existing section.

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

Section 1. K.S.A. 2019 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) One-half 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) one-half 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) One-fourth 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) one-fourth 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) one-half 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), (6), (7),
(8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27),
(28), (29), (30), (31) and (32), 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.
(i) On and after July 1, 2020, the provisions of subsection (a) for the apportionment of countywide retailers' sales tax shall not apply to any revenue received pursuant to a countywide retailers' sales tax imposed for general purposes. All revenue received by the director of taxation from any countywide retailers' sales tax levied by the board of county commissioners for general purposes pursuant to K.S.A. 12-187 et seq., and amendments thereto, shall be remitted to the county. The provisions of this paragraph shall not prevent a board of county commissioners from entering into interlocal agreements to share a portion of the revenue received pursuant to a countywide retailers' sales tax for general purposes with any city located in such county as otherwise allowed by law. This paragraph shall not apply to tax increment revenues pledged prior to July 1, 2020, to the repayment of special obligation bonds for STAR bond projects pursuant to K.S.A. 2019 Supp. 12-17,169, and amendments thereto.

Sec. 2. K.S.A. 2019 Supp. 12-192 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.