

SENATE BILL No. 87

By Committee on Assessment and Taxation

1-27

1 AN ACT concerning sales taxation; relating to countywide retailers' sales
2 tax; discontinuing apportionment of revenue received for general
3 purposes between the county and cities located therein; amending
4 K.S.A. 2020 Supp. 12-192 and repealing the existing section.

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

7 Section 1. K.S.A. 2020 Supp. 12-192 is hereby amended to read as
8 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d)
9 ~~or~~, (h) or (i), all revenue received by the director of taxation from a
10 countywide retailers' sales tax shall be apportioned among the county and
11 each city located in such county in the following manner: (1) One-half of
12 all revenue received by the director of taxation shall be apportioned among
13 the county and each city located in such county in the proportion that the
14 total tangible property tax levies made in such county in the preceding
15 year for all funds of each such governmental unit bear to the total of all
16 such levies made in the preceding year; and (2) one-half of all revenue
17 received by the director of taxation from such countywide retailers' sales
18 tax shall be apportioned among the county and each city located in such
19 county, first to the county that portion of the revenue equal to the
20 proportion that the population of the county residing in the unincorporated
21 area of the county bears to the total population of the county, and second to
22 the cities in the proportion that the population of each city bears to the
23 total population of the county, except that no persons residing within the
24 Fort Riley military reservation shall be included in the determination of the
25 population of any city located within Riley county. All revenue
26 apportioned to a county shall be paid to its county treasurer and shall be
27 credited to the general fund of the county.

28 (b) (1) In lieu of the apportionment formula provided in subsection
29 (a), all revenue received by the director of taxation from a countywide
30 retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1%
31 or 1.25% after July 1, 2007, shall be apportioned among the county and
32 each city located in such county in the following manner: (A) The revenue
33 received from the first 0.5% rate of tax shall be apportioned in the manner
34 prescribed by subsection (a); and (B) the revenue received from the rate of
35 tax exceeding 0.5% shall be apportioned as follows: (i) One-fourth shall be
36 apportioned among the county and each city located in such county in the

1 proportion that the total tangible property tax levies made in such county
2 in the preceding year for all funds of each such governmental unit bear to
3 the total of all such levies made in the preceding year; (ii) one-fourth shall
4 be apportioned among the county and each city located in such county,
5 first to the county that portion of the revenue equal to the proportion that
6 the population of the county residing in the unincorporated area of the
7 county bears to the total population of the county, and second to the cities
8 in the proportion that the population of each city bears to the total
9 population of the county; and (iii) one-half shall be retained by the county
10 for its sole use and benefit.

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

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

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

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

43 (d) (1) All revenue received from a countywide retailers' sales tax

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

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

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

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

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

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

36 (h) The provisions of subsections (a) and (b) for the apportionment of
37 countywide retailers' sales tax shall not apply to any revenues received
38 pursuant to a county or countywide retailers' sales tax levied or collected
39 under K.S.A. 74-8929, and amendments thereto. All such revenue
40 collected under K.S.A. 74-8929, and amendments thereto, shall be
41 deposited into the redevelopment bond fund established by K.S.A. 74-
42 8927, and amendments thereto, for the period of time set forth in K.S.A.
43 74-8927, and amendments thereto.

1 (i) *On and after July 1, 2021, the provisions of subsection (a) for the*
2 *apportionment of countywide retailers' sales tax shall not apply to any*
3 *revenue received pursuant to a countywide retailers' sales tax imposed for*
4 *general purposes that was approved by a majority of the electors voting*
5 *thereon. All revenue received by the director of taxation from such*
6 *countywide retailers' sales tax levied by the board of county*
7 *commissioners for general purposes pursuant to K.S.A. 12-187 et seq.,*
8 *and amendments thereto, shall be remitted to the county. The provisions of*
9 *this paragraph shall not prevent a board of county commissioners from*
10 *entering into interlocal agreements to share a portion of the revenue*
11 *received pursuant to a countywide retailers' sales tax for general purposes*
12 *with any city located in such county as otherwise allowed by law. This*
13 *paragraph shall not apply to tax increment revenues pledged prior to July*
14 *1, 2021, to the repayment of special obligation bonds for STAR bond*
15 *projects pursuant to K.S.A. 2020 Supp. 12-17,169, and amendments*
16 *thereto.*

17 Sec. 2. K.S.A. 2020 Supp. 12-192 is hereby repealed.

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