

SESSION OF 2021

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 87**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 87, as amended, would provide for all countywide sales taxes imposed pursuant to elections held on or after July 1, 2021, to be remitted to and retained by counties unless the board of county commissioners adopts a resolution at least 60 days prior to the election providing for the application of the formula in current law apportioning the proceeds of countywide sales taxes to the county and cities located within the county. The bill would require ballot propositions for countywide sales taxes to state whether the apportionment formula would be used for the proceeds of the tax.

The bill also would require the termination of the countywide sales tax in Atchison County for joint law enforcement communications and solid waste disposal enacted pursuant to an election held on August 3, 1993, by June 30, 2023.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Atchison County

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Farm Bureau Board and the Kansas Association of Wheat Growers, who stated the Atchison County sales tax is not being used according to the intent of voters in the 1993 election and counties should not be required to share proceeds of countywide sales taxes with cities.

**Opponent** testimony was offered by representatives of the cities of Atchison, Derby, Junction City, and Oberlin; the Kansas Association of Counties; and the League of Kansas Municipalities, and by a private citizen. Opponents stated the current apportionment formula generally works well for cities and counties and the Atchison County experience is not reflective of statewide experiences.

Written-only **opponent** testimony was provided by representatives of the Kansas Legislative Policy Group, the Southwest Kansas Coalition, and numerous cities.

The Senate Committee amended the bill to remove the original provision that would have eliminated the apportionment formula and to insert the provisions described above.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would have no fiscal effect on the State. The Kansas Association of Counties indicates enactment of the bill would allow for county flexibility in distributing sales tax proceeds. The League of Kansas Municipalities indicates enactment of the bill has the potential to significantly reduce sales tax distributions to cities. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Taxation; sales tax; countywide apportionment; Atchison County