HOUSE BILL No. 2572

By Representatives Williams, Davis and Hawkins

1-30

AN ACT concerning disclosure of economic development incentive data; relating to the Kansas taxpayer transparency act; STAR bonds; income tax credits; benefits received under the promoting employment across Kansas act; expenditures made from the job creation fund; property tax exemptions; amending K.S.A. 2017 Supp. 12-1744a, 74-72,123, 75-5133, 79-3234 and 79-32,267 and repealing the existing sections; also repealing K.S.A. 2017 Supp. 74-72,124.

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

New Section 1. (a) The state board of tax appeals shall prepare and compile annually a report containing the following information for each property exempted pursuant to section 13 of article 11 of the constitution of the state of Kansas:

(1) The name of the city or county that has exempted the property;
(2) the legal description of the property;
(3) the appraised valuation of the property to be exempted from ad valorem taxes as shown on the county records of the county as of the next preceding January 1; and
(4) the amount of any payment to be made in lieu of taxes.

(b) Such report shall be provided to the secretary of administration on or before January 10 of each year in an electronic format as designated by the secretary for the purpose of publishing such information as required by K.S.A. 2017 Supp. 74-72,123, and amendments thereto.

New Sec. 2. (a) The secretary of commerce may publicly disclose and shall provide the following information to the secretary of administration, except as provided in subsection (c)(1) or (2), in an electronic format as designated by the secretary of administration and pursuant to the provisions of K.S.A. 2017 Supp. 74-72,123, and amendments thereto, for each STAR bond project approved by the secretary and as the information is available to the secretary:

(1) The applicant city or county, the location of each project, including the city and county, and a general description of each project;
(2) the names of the STAR bond project developer or developers and the names of the principals and officers of each developer, if the developer is a business entity;
(3) the name of the consultant or business entity that prepared the
feasibility study and the studies included in the feasibility study, including,
but not limited to, the market impact study;
(4) estimated total project costs, including:
   (A) A breakdown by hard costs, with categories including, but not
limited to, land acquisition, infrastructure, hard construction, architecture
and engineering and total hard costs; and
   (B) a breakdown by soft costs, with categories including, but not
limited to, third party professional costs, sales, miscellaneous soft costs
and total soft costs;
(5) estimated total star bond eligible costs, including a breakdown by
   total hard and soft costs and by the categories, including, but not limited
to, the categories required by paragraph 2(A) and (B);
(6) the STAR bond budget approved by the secretary of commerce,
   including the breakdown of expenditures utilized by the secretary of
commerce and changes to the STAR bond budget, if any, approved by the
secretary;
(7) the estimated project completion date;
(8) the length of the term for the STAR bonds issued to finance the
project;
(9) the estimated total gross STAR bond revenues, including, but not
limited to, estimated total revenues from retail sales with a separate
breakdown for estimated state sales taxes and estimated local sales taxes,
to be produced over the term of the bonds issued;
(10) the total amount of STAR bonds authorized to be issued by the
secretary, the total amount of STAR bonds issued if different, and the
annual debt service payment made to service the STAR bonds issued;
(11) the total annual amount of STAR bond revenues received and
used for the payment of STAR bonds issued for the project, with a
breakdown by the total annual amount of local sales taxes or other local
revenue contributions and by the total annual amount of state sales taxes;
(12) the information provided in the report to the governor and the
legislature required by K.S.A. 2017 Supp. 12-17,169(c)(1), and
amendments thereto. This information shall be provided to the department
of administration at the time the report is submitted to the governor and the
legislature;
(13) the information provided in the report to the senate and house
legislative committees required by K.S.A. 2017 Supp. 12-17,169(c)(2),
and amendments thereto, at the time the report is provided to the
legislative committees;
(14) the information provided in the audit required by K.S.A. 2017
Supp. 12-17,176, and amendments thereto, including the information
provided in all schedules and workpapers, at the time the audit results are
reported as required by K.S.A. 2017 Supp. 12-17,176, and amendments
thereto;
(15) summarized explanations provided by the secretary of commerce
describing:
(A) The purpose of STAR bond funding in general and specifically to
the project; and
(B) the criteria used by the secretary in approving the project, with
citations to the governing statutes and rules and regulations; and
(16) the projected economic development benefits and outcomes of
the project as described in the secretary's letter approving the project to the
city or county and, if available, the method, metrics or measurements to
determine the outcomes used by the secretary to measure the success of
the project and annual updates on progress pursuant to those measures or
metrics toward the projected outcomes.
(b) Except as provided by subsection (c)(1), cities, counties,
developers, businesses and other recipients of STAR bond proceeds or
financing with respect to approved STAR bond project costs shall provide
information to the secretary of commerce as requested by the secretary to
fulfill the requirements of public disclosure pursuant to subsection (a). The
secretary shall require as a condition of approval of a project and
authorization for the issuance of STAR bonds that a city or county provide
the information and contractually require any developer and any successor
in the interest in the project of any developer to provide the information.
The requirement to provide information shall be a continuing obligation.
Ownership of a project shall not be transferred by a developer without the
consent of the secretary. Except if prohibited by federal law, the
department of revenue is authorized to provide and shall provide any
information to the secretary of commerce, or to the department of
administration, if agreed to by the secretary of commerce and the secretary
of revenue, as necessary to fulfill the information disclosure requirements
of subsection (a).
(c) (1) The secretary shall require as a condition of approval of a
project and authorization for the issuance of STAR bonds that a city or
county provide the information and contractually require any developer
and any successor in the interest in the project of any developer to provide
the information. The requirement to provide information shall be a
continuing obligation. Ownership of a project shall not be transferred by a
developer without the consent of the secretary. The information required
by subsection (a) shall not be provided to the secretary of commerce, or
the information required by subsection (a) shall not be disclosed by the
secretary of commerce, if providing the information to the secretary or
disclosure by the secretary, respectively, would violate any federal law or
confidentiality provisions of any agreements executed before July 1, 2018,
of STAR bond proceeds or financing. The secretary, and cities, counties
and developers as directed by the secretary, shall require developers and
businesses or other recipients of STAR bond proceeds or financing that
may be required to disclose information to the secretary pursuant to
subsection (b) to waive confidentiality as necessary with respect to the
information required by subsection (a) in any agreements executed after
July 1, 2018.

(2) Information specific to a developer or a business shall not be
disclosed by the secretary prior to the developer or business locating or
relocating in the STAR bond project district if, in the discretion of the
secretary, the disclosure would be detrimental to the development of the
STAR bond project.

(d) The secretary's costs arising from compliance with this section
shall be recovered pursuant to the provisions of K.S.A. 2017 Supp. 12-
17,164(i), and amendments thereto.

(e) This section shall be a part of and supplemental to the STAR
bonds financing act.

New Sec. 3. (a) There is hereby established the joint committee on
taxpayer transparency that shall be within the legislative branch of state
government and that shall consist of five senators and five members of the
house of representatives. Two of the senate members shall be appointed by
the president of the senate, two of the senate members shall be appointed
by the minority leader of the senate and one of the senate members shall
be appointed by the chairperson of the committee on commerce. Two of
the representative members shall be appointed by the speaker of the house
of representatives, two of the representative members shall be appointed
by the minority leader of the house of representatives and one of the
representative members shall be appointed by the chairperson of the
committee on commerce.

(b) All members of the joint committee on taxpayer transparency
shall serve for terms ending on the first day of the regular legislative
session in odd-numbered years. The joint committee shall organize
annually and elect a chairperson and vice-chairperson in accordance with
this subsection. On and after the first day of the regular session in odd-
numbered years, the chairperson shall be one of the representative
members of the joint committee elected by the members of the joint
committee and the vice-chairperson shall be one of the senate members of
the joint committee elected by the members of the joint committee. The
chairperson and vice-chairperson shall serve in such capacities until the
first day of the regular legislative session in the ensuing year. The vice-
chairperson shall exercise all of the powers of the chairperson in the
absence of the chairperson. If a vacancy occurs in the office of the
chairperson or vice-chairperson, a member of the joint committee, who is a
member of the same house as the member who vacated the office, shall be
elected by the members of the joint committee to fill such vacancy.

(c) A quorum of the joint committee shall be six. All actions of the
joint committee shall be taken by a majority of all of the members of the
joint committee.

(d) The joint committee on taxpayer transparency may meet at any
time and at any place within the state on the call of the chairperson.

(e) The provisions of the acts contained in article 12 of chapter 46 of
the Kansas Statutes Annotated, and amendments thereto, applicable to
special committees shall apply to the joint committee on taxpayer
transparency to the extent that the same do not conflict with the specific
provisions of this act applicable to the joint committee.

(f) In accordance with K.S.A. 46-1204, and amendments thereto, the
legislative coordinating council may provide for such professional services
as may be requested by the joint committee on taxpayer transparency.

(g) The joint committee on taxpayer transparency may introduce such
legislation as it deems necessary in performance of its functions.

New Sec. 4. (a) The joint committee on taxpayer transparency shall:
(1) Advise and consult with the secretary of administration on the
content, format and reports to be produced on the website established in
K.S.A. 2017 Supp. 74-72,123, and amendments thereto;
(2) advise the secretary of administration on incorporating additional
information described by this act from any other sources of information
available to the secretary of administration, including information
submitted by state agencies pursuant to K.S.A. 2017 Supp. 74-72,123(d),
and amendments thereto;
(3) serve in an advisory capacity to the secretary of administration,
who shall, from time to time, consult with and seek the advice of the joint
committee on matters related to the further development of the website,
expansion of the content of information for the website, and the
development of new reports to be generated on the website to assist the
public in accessing public information; and
(4) seek advice from the general public, professional associations,
academic groups and institutions and individuals with knowledge of and
interest in areas of public information access, gateway services, add-on
services and electronic information.

(b) The joint committee on taxpayer transparency shall meet at least
twice during each fiscal year on the call of the chairperson, who shall set
the agenda for such meetings, that shall include a report on the progress of
implementing and developing the website, proposed enhancements to the
website in terms of content, format, policies and procedures and reports,
and other matters as deemed appropriate by the chairperson.

Sec. 5. K.S.A. 2017 Supp. 12-1744a is hereby amended to read as
follows: 12-1744a. (a) At least seven days prior to the issuance of any revenue bonds, the city or county shall file a statement with the state board of tax appeals of such proposed issuance containing the following information:

(1) The name of the city or county proposing to issue the revenue bonds, the lessee, the guarantor, if any, the paying or fiscal agent, the underwriter, if any, and all attorneys retained to render an opinion on the issue;

(2) a legal description of any property to be exempted from ad valorem taxes, including the city or county in which the facility will be located;

(3) the appraised valuation of the property to be exempted from ad valorem taxes as shown on the records of the county as of the next preceding January 1. Any listing of property shall not constitute a classification of the property. Classification of any property acquired during the tax exemption period shall be determined at the end of the exemption period in accordance with K.S.A. 2017 Supp. 79-262, and amendments thereto;

(4) the estimated total cost of the facility showing a division of such total cost between real and personal property;

(5) if the facility to be financed is an addition to or further improvement of an existing facility the cost of which was financed by revenue bonds issued under the provisions of this act, the date of issuance of such revenue bonds, and if such facility or any portion thereof is presently exempt from property taxation, the period for which the same is exempt;

(6) the principal amount of the revenue bonds to be issued;

(7) the amount of any payment to be made in lieu of taxes;

(8) an itemized list of service fees or charges to be paid by the lessee together with a detailed description of the services to be rendered therefor;

(9) a reasonably detailed description of the use of bond proceeds, including whether they will be used to purchase, acquire, construct, reconstruct, improve, equip, furnish, enlarge or remodel the facility in question; and

(10) the proposed date of issuance of such revenue bonds.

(b) Any change in the information or documents required to be filed pursuant to subsection (a) which does not materially adversely affect the security for the revenue bond issue may be made within the fifteen-day period prior to issuance of the revenue bonds by filing the amended information or document with the state board of tax appeals.

(c) Any notice required to be filed pursuant to the provisions of subsection (a) shall be accompanied by a filing fee, which shall be fixed by rules and regulations of the state board of tax appeals, in an amount
sufficient to defray the cost of reviewing the information and documents required to be contained in the notice.

(d) Information required to be filed by subsection (a) of this section shall be in addition to any filing required by K.S.A. 79-210, and amendments thereto.

(e) The state board of tax appeals may require any information listed under subsection (a) deemed necessary, to be filed by a city or county concerning agreements entered into prior to the effective date of this act.

(f) The state board of tax appeals shall prepare and compile annually a report containing the information required to be filed pursuant to subsection (a) for each issuance of revenue bonds made pursuant to K.S.A. 12-1740 et seq., and amendments thereto. Such report shall be published in convenient form for the use and information of the legislature, taxpayers, public officers and other interested parties, and shall be available on January 10 of each year. Information contained in such report shall be provided to the secretary of administration in an electronic format as designated by the secretary for the purpose of publishing such information as required by K.S.A. 2017 Supp. 74-72,123, and amendments thereto.

Sec. 6. K.S.A. 2017 Supp. 74-72,123 is hereby amended to read as follows: 74-72,123. (a) As used in the Kansas taxpayer transparency act:

(1) "Searchable website" means a website that allows the public to search and aggregate the information identified in subsection (b) including requirements that the website offer the public the ability to efficiently search and display data, and ascertain the total amounts of revenues and expenditures: (A) Of funds established within the state treasury in an aggregate or summary form in a manner determined by the secretary of administration; (B) of compensation paid to public employees employed by state agencies, and; (C) of bond debt as specified in this act; and (D) economic development incentives as specified in this act, including county-specific mapping of incentives.

(2) "Agency" means any entity or instrumentality of the state of Kansas as defined in K.S.A. 75-3701, and amendments thereto, and any other entity or instrumentality delegated statutory authority by the legislature to issue bonds and to collect revenue for the purpose of repaying bonds issued under authority delegated by statute.

(3) "Board" means the public finance transparency board. "Joint committee" means the joint committee on taxpayer transparency established pursuant to section 3, and amendments thereto.

(b) No later than March 1, 2009, the secretary of administration shall develop and operate a single, searchable website accessible by the public at no cost to access, that includes:

(1) Annual expenditures, as determined by the secretary of administration and as available within the central accounting system and
state payroll system, shall include, but not be limited to:

(A) Disbursements by any state agency from funds established within the state treasury;

(B) bond debt payments;

(C) salaries and wages including, but not limited to, compensation paid to individual employees of state agencies;

(D) contractual services including, but not limited to, amounts paid to individual vendors;

(E) commodities including, but not limited to, amounts paid to individual vendors;

(F) capital outlay including, but not limited to, amounts paid to individual vendors;

(G) debt service including, but not limited to, amounts of bond interest paid and sources of funds paid for individual bond issues;

(H) aid to local units including, but not limited to, amounts paid to individual units of government for individually identifiable aid programs;

(I) other assistance and benefits;

(J) capital improvements including, but not limited to, amounts of bond principal paid and sources of funds paid for individual bond issues; and

(K) tax expenditures as reported by the secretary of revenue in the annual tax expenditure report.

(2) Annual revenues, as determined by the secretary of administration and as available within the central accounting system, shall include, but not be limited to:

(A) Receipts or deposits by any state agency into funds established within the state treasury;

(B) taxes including, but not limited to, compulsory contributions imposed by the state for the purpose of financing services;

(C) agency earnings including, but not limited to, amounts collected by each agency for merchandise sold, services performed, licenses and permits issued, or regulation;

(D) revenue for the use of money and property including, but not limited to, amounts received for compensation for the use of state-owned money and property;

(E) gifts, donations and federal grants including, but not limited to, amounts received from public and private entities to aid in support of a specific function or other governmental activity;

(F) other revenue including, but not limited to, receipts not classified elsewhere; and

(G) non-revenue receipts including, but not limited to, all receipts that do not constitute revenue.

(3) Annual bonded indebtedness which shall include, but not be
limited to the amount of the total original obligation stated in terms of
principal and interest, the term of the obligation, the source of funding for
repayment of the obligation, the amounts of principal and interest
previously paid to reduce the obligation, the balance remaining of the
obligation, any refinancing of the obligation, and the cited statutory
authority to issue such bonds.

(4) Economic incentive data as described by subsection (f).

(5) Any other relevant information specified by the secretary of
administration after consulting with and seeking the advice of the public
finance transparency board as established in K.S.A. 2017 Supp. 74-72,124,
and amendments thereto joint committee.

(c) The single website provided for in subsection (b) of this section
shall include data for fiscal year 2003 and each fiscal year thereafter. The
website shall be designed so that such data shall be retained on the single
website for not less than 10 years and shall include data for the most recent
fiscal years. Data that is available in the central accounting system and
state payroll system shall be on the single website as soon as possible, but
not later than 45 days after the last day of the preceding fiscal year. The
secretary of administration shall develop policies and procedures to make
data available from any other source. Nothing in this act shall require the
secretary of administration to provide information on the website that is
not available in the central accounting system and the state payroll system
at the time of initial implementation of the website. After implementation
of the initial website, the public finance transparency board joint
committee shall advise the secretary of administration on incorporating
additional information described by this act from any other source of
information available to the secretary of administration including
information submitted by state agencies pursuant to subsection (d) of this
section.

(d) Any state agency shall provide, at the request of the secretary of
administration, such information as is necessary to accomplish the
purposes of this act.

(e) Nothing in this act shall permit or require the disclosure of
information which is considered confidential by state or federal law.

(f) As soon as practicable after July 1, 2018, the single website
provided for in subsection (b) shall include economic development
incentive data as described in this subsection. To the extent possible, the
website shall be designed so that economic incentive data can be
searchable by year, county and incentive type. Economic development data
shall be displayed on the front page of the website or shall be accessible
via a conspicuous link on the front page of the website. Economic
incentive data shall include, but not be limited to:

(1) Income tax credits claimed pursuant to K.S.A. 79-32,160a(e), and
amendments thereto, for tax year 2017, and all tax years thereafter; that
shall include the following information:

(A) The name of the recipient of the credit;
(B) the county where the qualified business facility invested in is
located;
(C) the total amount of the credit earned;
(D) the total credit amount claimed in the tax year;
(E) the remaining number of years the credit can be carried forward;
and
(F) all such other information as required to be included in the
taxpayer's return pursuant to K.S.A. 2017 Supp. 79-32,243, and
amendments thereto;
(2) income tax credits claimed pursuant to K.S.A. 2017 Supp. 74-
8133, and amendments thereto, for tax year 2017, and all tax years
thereafter; which shall include the following information:

(A) The name of the qualified Kansas business that received the cash
investment;
(B) the county where the qualified business is located; and
(C) the total amount of the credit claimed for investment in the
qualified business in the tax year;
(3) income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-
32,267, and amendments thereto, for tax year 2017, and all tax years
thereafter; that shall include the following information:

(A) The rural opportunity zone, as defined by K.S.A. 2017 Supp. 74-
50,222, and amendments thereto, where the recipient of the credit is
domiciled;
(B) the amount of the credit claimed in the tax year; and
(C) the occupation of the recipient of the credit;
(4) income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-
32,182b, and amendments thereto, for tax year 2017, and all tax years
thereafter; that shall include the following information:

(A) The name of the recipient of the credit;
(B) the county where the recipient of the credit is located;
(C) the total amount of the credit earned; and
(D) the total credit amount claimed in the tax year;
(5) income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-
32,211, and amendments thereto, for tax year 2017, and all tax years
thereafter; that shall include the following information:

(A) The name of the recipient of the credit who made qualified
expenditures under K.S.A. 2017 Supp. 79-32,211, and amendments
thereto;
(B) the county where the qualified historic structure is located and a
description of the property;
(C) the total amount of the credit earned;
(D) the total credit amount claimed in the tax year; and
(E) the number of years remaining that the credit may be carried forward;
(6) payments from the job creation fund created by K.S.A. 2017 Supp. 74-50,224, and amendments thereto, that shall include information in the report required by K.S.A. 2017 Supp. 74-50,224(c), and amendments thereto;
(7) sales tax and revenue bonds issued under the STAR bond financing act, K.S.A. 2017 Supp. 12-17,162 et seq., and amendments thereto, that shall include the following information:
   (A) The names of STAR bond project developers, including the names of principals and officers;
   (B) the location and general description of each STAR bond project;
   (C) the total amount of STAR bond funding available for each project;
   (D) the amount of STAR bond proceeds received annually by each developer or used to finance each development;
   (E) the annual STAR bond project expenditures of each developer to be paid or financed by STAR bond proceeds listed by the respective permitted project costs as defined in K.S.A. 2017 Supp. 12-17,162(r), and amendments thereto; and
   (F) the total amount of local and state sales taxes pledged or otherwise intended to be used in whole or in part for the payment of bonds issued to finance project costs for each project;
(8) benefits received under the promoting employment across Kansas act, K.S.A. 2017 Supp. 74-50,210 et seq., and amendments thereto, that shall include information in the report required by K.S.A. 2017 Supp. 74-50,216, and amendments thereto;
(9) property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under authority of K.S.A. 12-1740 through 12-1749a, and amendments thereto, that is exempt from property or ad valorem taxation under K.S.A. 79-201a Second, and amendments thereto, that shall include the information in the report required by K.S.A. 12-1744a, and amendments thereto; and
(10) property exempt from ad valorem taxation pursuant to section 13 of article 11 of the constitution of the state of Kansas, that shall include information in the report required by section 1, and amendments thereto.
(g) In addition to the information required by this section, the following information shall also be included for each of the items listed in subsection (f), if available:
   (1) A description of the program and its intended purpose;
Sec. 7. K.S.A. 2017 Supp. 75-5133 is hereby amended to read as follows: 75-5133. (a) Except as otherwise more specifically provided by law, all information received by the secretary of revenue, the director of taxation or the director of alcoholic beverage control from returns, reports, license applications or registration documents made or filed under the provisions of any law imposing any sales, use or other excise tax administered by the secretary of revenue, the director of taxation, or the director of alcoholic beverage control, or from any investigation conducted under such provisions, shall be confidential, and it shall be unlawful for any officer or employee of the department of revenue to divulge any such information except in accordance with other provisions of law respecting the enforcement and collection of such tax, in accordance with proper judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

(b) The secretary of revenue or the secretary's designee may:

(1) Publish statistics, so classified as to prevent identification of particular reports or returns and the items thereof;

(2) allow the inspection of returns by the attorney general or the attorney general's designee;

(3) provide the post auditor access to all such excise tax reports or returns in accordance with and subject to the provisions of K.S.A. 46-1106(g), and amendments thereto;

(4) disclose taxpayer information from excise tax returns to persons or entities contracting with the secretary of revenue where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality;

(5) provide information from returns and reports filed under article 42 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, to county appraisers as is necessary to ensure proper valuations of property. Information from such returns and reports may also be exchanged with any other state agency administering and collecting conservation or other taxes and fees imposed on or measured by mineral production;

(6) provide, upon request by a city or county clerk or treasurer or finance officer of any city or county receiving distributions from a local excise 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;

(7) provide information from returns and applications for registration 
filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-
3601, and amendments thereto, to a city or county treasurer or clerk or 
finance officer to explain the basis of statistics contained in reports 
provided by subsection (b)(6);

(8) disclose the following oil and gas production statistics received by 
the department of revenue in accordance with K.S.A. 79-4216 et seq., and 
amendments thereto: Volumes of production by well name, well number, 
operator's name and identification number assigned by the state 
corporation commission, lease name, leasehold property description, 
county of production or zone of production, name of purchaser and 
purchaser's tax identification number assigned by the department of 
revenue, name of transporter, field code number or lease code, tax period, 
exempt production volumes by well name or lease, or any combination of 
this information;

(9) release or publish liquor brand registration information provided 
by suppliers, farm wineries, microdistilleries and microbreweries in 
accordance with the liquor control act. The information to be released is 
limited to: Item number, universal numeric code, type status, product 
description, alcohol percentage, selling units, unit size, unit of 
measurement, supplier number, supplier name, distributor number and 
distributor name;

(10) release or publish liquor license information provided by liquor 
licensees, distributors, suppliers, farm wineries, microdistilleries and 
microbreweries in accordance with the liquor control act. The information 
to be released is limited to: County name, owner, business name, address, 
license type, license number, license expiration date and the process agent 
contact information;

(11) release or publish cigarette and tobacco license information 
obtained from cigarette and tobacco licensees in accordance with the 
Kansas cigarette and tobacco products act. The information to be released 
is limited to: County name, owner, business name, address, license type 
and license number;

(12) provide environmental surcharge or solvent fee, or both, 
information from returns and applications for registration filed pursuant to 
K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secretary 
of health and environment or the secretary's designee for the sole purpose 
of ensuring that retailers collect the environmental surcharge tax or solvent 
fee, or both;
(13) provide water protection fee information from returns and applications for registration filed pursuant to K.S.A. 82a-954, and amendments thereto, to the secretary of the state board of agriculture or the secretary's designee and the secretary of the Kansas water office or the secretary's designee for the sole purpose of verifying revenues deposited to the state water plan fund;

(14) provide to the secretary of commerce copies of applications for project exemption certificates sought by any taxpayer under the enterprise zone sales tax exemption pursuant to K.S.A. 79-3606(cc), and amendments thereto;

(15) disclose information received pursuant to the Kansas cigarette and tobacco act and subject to the confidentiality provisions of this act to any criminal justice agency, as defined in K.S.A. 22-4701(c), and amendments thereto, or to any law enforcement officer, as defined in K.S.A. 2017 Supp. 21-5111, and amendments thereto, on behalf of a criminal justice agency, when requested in writing in conjunction with a pending investigation;

(16) provide to retailers tax exemption information for the sole purpose of verifying the authenticity of tax exemption numbers issued by the department;

(17) provide information concerning remittance by sellers, as defined in K.S.A. 2017 Supp. 12-5363, and amendments thereto, of prepaid wireless 911 fees from returns to the local collection point administrator, as defined in K.S.A. 2017 Supp. 12-5363, and amendments thereto, for purposes of verifying seller compliance with collection and remittance of such fees;

(18) release or publish charitable gaming information obtained in charitable gaming licensee and registration applications and renewals in accordance with the Kansas charitable gaming act, K.S.A. 2017 Supp. 75-5171 et seq., and amendments thereto. The information to be released is limited to: The name, address, phone number, license registration number and email address of the organization, distributor or of premises; and

(19) provide to the attorney general confidential information for purposes of determining compliance with or enforcing K.S.A. 50-6a01 et seq., and amendments thereto, the master settlement agreement referred to therein and all agreements regarding disputes under the master settlement agreement. The secretary and the attorney general may share the information specified under this subsection with any of the following:

(A) Federal, state or local agencies for the purposes of enforcement of corresponding laws of other states; and

(B) a court, arbitrator, data clearinghouse or similar entity for the purpose of assessing compliance with or making calculations required by the master settlement agreement or agreements regarding disputes under
the master settlement agreement, and with counsel for the parties or expert
witnesses in any such proceeding, if the information otherwise remains
confidential; and

(20) disclose taxpayer information to the secretary of administration
that is received from income tax returns and is required to be made
available to the public by K.S.A. 2017 Supp. 74-72,123, and amendments
thereeto.

(c) Any person receiving any information under the provisions of
subsection (b) shall be subject to the confidentiality provisions of
subsection (a) and to the penalty provisions of subsection (d).

(d) Any violation of this section shall be a class A, nonperson
misdemeanor, and if the offender is an officer or employee of this state,
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 any violation of this section if the offender is a city
or county clerk or treasurer or finance officer of a city or county.

Sec. 8. K.S.A. 2017 Supp. 79-3234 is hereby amended to read as
follows: 79-3234. (a) All reports and returns required by this act shall be
preserved for three years and thereafter until the director orders them to be
destroyed.

(b) Except in accordance with proper judicial order, or as provided in
subsection (c) or in K.S.A. 17-7511, subsection (g) of K.S.A. 46-1106(g),
K.S.A. 46-1114, or K.S.A. 79-32,153a or K.S.A. 2017 Supp. 74-72,123,
and amendments thereto, it shall be unlawful for the secretary, the director,
any deputy, agent, clerk or other officer, employee or former employee of
the department of revenue or any other state officer or employee or former
state officer or employee to divulge, or to make known in any way, the
amount of income or any particulars set forth or disclosed in any report,
return, federal return or federal return information required under this act;
and it shall be unlawful for the secretary, the director, any deputy, agent,
clerk or other officer or employee engaged in the administration of this act
to engage in the business or profession of tax accounting or to accept
employment, with or without consideration, from any person, firm or
corporation for the purpose, directly or indirectly, of preparing tax returns
or reports required by the laws of the state of Kansas, by any other state or
by the United States government, or to accept any employment for the
purpose of advising, preparing material or data, or the auditing of books or
records to be used in an effort to defeat or cancel any tax or part thereof
that has been assessed by the state of Kansas, any other state or by the
United States government.

(c) The secretary or the secretary's designee may: (1) Publish
statistics, so classified as to prevent the identification of particular reports
or returns and the items thereof;
(2) allow the inspection of returns by the attorney general or other legal representatives of the state;
(3) provide the post auditor access to all income tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto;
(4) disclose taxpayer information from income tax returns to persons or entities contracting with the secretary of revenue where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality;
(5) disclose to the secretary of commerce the following: (A) Specific taxpayer information related to financial information previously submitted by the taxpayer to the secretary of commerce concerning or relevant to any income tax credits, for purposes of verification of such information or evaluating the effectiveness of any tax credit or economic incentive program administered by the secretary of commerce; (B) the amount of payroll withholding taxes an employer is retaining pursuant to K.S.A. 2017 Supp. 74-50,212, and amendments thereto; (C) information received from businesses completing the form required by K.S.A. 2017 Supp. 74-50,217, and amendments thereto; and (D) findings related to a compliance audit conducted by the department of revenue upon the request of the secretary of commerce pursuant to K.S.A. 2017 Supp. 74-50,215, and amendments thereto;
(6) disclose income tax returns to the state gaming agency to be used solely for the purpose of determining qualifications of licensees of and applicants for licensure in tribal gaming. Any information received by the state gaming agency shall be confidential and shall not be disclosed except to the executive director, employees of the state gaming agency and members and employees of the tribal gaming commission;
(7) disclose the taxpayer's name, last known address and residency status to the Kansas department of wildlife, parks and tourism to be used solely in its license fraud investigations;
(8) disclose the name, residence address, employer or Kansas adjusted gross income of a taxpayer who may have a duty of support in a title IV-D case to the secretary of the Kansas department for children and families for use solely in administrative or judicial proceedings to establish, modify or enforce such support obligation in a title IV-D case. In addition to any other limits on use, such use shall be allowed only where subject to a protective order which prohibits disclosure outside of the title IV-D proceeding. As used in this section, "title IV-D case" means a case being administered pursuant to part D of title IV of the federal social security act, 42 U.S.C. § 651 et seq., and amendments thereto. Any person receiving any information under the provisions of this subsection shall be
subject to the confidentiality provisions of subsection (b) and to the penalty provisions of subsection (e);

(9) permit the commissioner of internal revenue of the United States, or the proper official of any state imposing an income tax, or the authorized representative of either, to inspect the income tax returns made under this act and the secretary of revenue may make available or furnish to the taxing officials of any other state or the commissioner of internal revenue of the United States or other taxing officials of the federal government, or their authorized representatives, information contained in income tax reports or returns or any audit thereof or the report of any investigation made with respect thereto, filed pursuant to the income tax laws, as the secretary may consider proper, but such information shall not be used for any other purpose than that of the administration of tax laws of such state, the state of Kansas or of the United States;

(10) communicate to the executive director of the Kansas lottery commission as to whether a person, partnership or corporation is current in the filing of all applicable tax returns and in the payment of all taxes, interest and penalties to the state of Kansas, excluding items under formal appeal, for the purpose of determining whether such person, partnership or corporation is eligible to be selected as a lottery retailer;

(11) communicate to the executive director of the Kansas racing commission as to whether a person, partnership or corporation has failed to meet any tax obligation to the state of Kansas for the purpose of determining whether such person, partnership or corporation is eligible for a facility owner license or facility manager license pursuant to the Kansas parimutuel racing act;

(12) provide such information to the executive director of the Kansas public employees retirement system for the purpose of determining that certain individuals' reported compensation is in compliance with the Kansas public employees retirement act, K.S.A. 74-4901 et seq., and amendments thereto;

(13) (i) (A) provide taxpayer information of persons suspected of violating K.S.A. 2017 Supp. 44-766, and amendments thereto, to the secretary of labor or such secretary's designee for the purpose of determining compliance by any person with the provisions of subsection (i)(3)(D) of K.S.A. 44-703(i)(3)(D) and K.S.A. 2017 Supp. 44-766, and amendments thereto. The information to be provided shall include all relevant information in the possession of the department of revenue necessary for the secretary of labor to make a proper determination of compliance with the provisions of subsection (i)(3)(D) of K.S.A. 44-703(i)(3)(D) and K.S.A. 2017 Supp. 44-766, and amendments thereto, and to calculate any unemployment contribution taxes due. Such information to be provided by the department of revenue shall include, but not be limited
to, withholding tax and payroll information, the identity of any person that
has been or is currently being audited or investigated in connection with
the administration and enforcement of the withholding and declaration of
estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto, and the
results or status of such audit or investigation;

(ii)(B) any person receiving tax information under the provisions of
this paragraph shall be subject to the same duty of confidentiality imposed
by law upon the personnel of the department of revenue and shall be
subject to any civil or criminal penalties imposed by law for violations of
such duty of confidentiality; and

(iii)(C) each of the secretary of labor and the secretary of revenue
may adopt rules and regulations necessary to effect the provisions of this
paragraph;

(14) provide such information to the state treasurer for the sole
purpose of carrying out the provisions of K.S.A. 58-3934, and
amendments thereto. Such information shall be limited to current and prior
addresses of taxpayers or associated persons who may have knowledge as
to the location of an owner of unclaimed property. For the purposes of this
paragraph, "associated persons" includes spouses or dependents listed on
income tax returns; and

(15) after receipt of information pursuant to subsection (f), forward
such information and provide the following reported Kansas individual
income tax information for each listed defendant, if available, to the state
board of indigents' defense services in an electronic format and in the
manner determined by the secretary: (A) The defendant's name; (B) social
security number; (C) Kansas adjusted gross income; (D) number of
exemptions claimed; and (E) the relevant tax year of such records. Any
social security number provided to the secretary and the state board of
indigents' defense services pursuant to this section shall remain
confidential; and

(16) disclose taxpayer information to the secretary of administration
that is received from income tax returns and is required to be made
available to the public by K.S.A. 2017 Supp. 74-72,123, and amendments
thereto.

(d) Any person receiving information under the provisions of
subsection (c) shall be subject to the confidentiality provisions of
subsection (b) and to the penalty provisions of subsection (e).

(e) Any violation of subsection (b) or (c) is a class A nonperson
misdemeanor and, if the offender is an officer or employee of the state,
such officer or employee shall be dismissed from office.

(f) For the purpose of determining whether a defendant is financially
able to employ legal counsel under the provisions of K.S.A. 22-4504, and
amendments thereto, in all felony cases with appointed counsel where the
defendant's social security number is accessible from the records of the
district court, the court shall electronically provide the defendant's name,
social security number, district court case number and county to the
secretary of revenue in the manner and format agreed to by the office of
judicial administration and the secretary.

(g) Nothing in this section shall be construed to allow disclosure of
the amount of income or any particulars set forth or disclosed in any
report, return, federal return or federal return information, where such
disclosure is prohibited by the federal internal revenue code as in effect on
September 1, 1996, and amendments thereto, related federal internal
revenue rules or regulations, or other federal law.

Sec. 9. K.S.A. 2017 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, 2022, 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, 2021 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 part of and supplemental to the Kansas
income tax act.

   (f) Beginning in tax year 2018, in order to qualify for the credit in
subsection (a), a taxpayer must report such taxpayer's occupation to the
department of revenue for the purpose of disclosing such information
pursuant to K.S.A. 2017 Supp. 74-72,123, and amendments thereto.

Sec. 10. K.S.A. 2017 Supp. 12-1744a, 74-72,123, 74-72,124, 75-
5133, 79-3234 and 79-32,267 are hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its
publication in the statute book.