

## HOUSE BILL No. 2970

By Committee on Taxation

2-21

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9 AN ACT concerning taxation; relating to sales tax receipts; creating the  
10 county ad valorem tax reduction fund; providing for transfers thereto  
11 and allocations and distributions therefrom.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) There is hereby created the county ad valorem tax  
15 reduction fund. All moneys transferred or credited to such fund under  
16 the provisions of this section or any other law shall be allocated and dis-  
17 tributed in the manner provided in this section.

18 (b) (1) (A) During state fiscal year 2007, the state treasurer shall  
19 make transfers to the county ad valorem tax reduction fund on July 15  
20 and December 10 as prescribed by this section based on 2.571% of that  
21 portion of the total sales and compensating taxes credited to the state  
22 general fund pursuant to articles 36 and 37 of chapter 79 of the Kansas  
23 Statutes Annotated, and amendments thereto, during the preceding cal-  
24 endar year that is attributable to the receipts of such taxes from all coun-  
25 ties; and (B) during the state fiscal year 2007, the state treasurer shall  
26 allocate and distribute to each county from the county ad valorem tax  
27 reduction fund an amount as follows: 65% of such amount shall be allo-  
28 cated on the basis of the population figures of the counties certified to  
29 the secretary of state pursuant to K.S.A. 11-201, and amendments  
30 thereto, on July 1 of the preceding year, and the remaining 35% shall be  
31 allocated on the basis of the equalized assessed tangible valuations on  
32 November 1 of the preceding year as certified by the director of property  
33 valuation, except that the state treasurer shall not make any allocation or  
34 distribution from the county ad valorem tax reduction fund to the counties  
35 for which the pull factor measure is 1.0 or greater based on information  
36 contained in the most recent "county trade pull factors: annual report  
37 study" published by Kansas state university research and extension de-  
38 partment of agricultural economics, or to any city located within any such  
39 county; and (2) for state fiscal year 2008, and each state fiscal year there-  
40 after, (A) the secretary of revenue shall adopt a policy using the most  
41 current information that is practicable and shall calculate for the preced-  
42 ing calendar year the pull factor measure for each county by dividing the  
43 county's local per capita sales tax collections by the state per capita sales

1 tax collections and if the quotient, which is referred to in this section as  
2 the pull factor measure, for a county is 1.0 or greater, then the secretary  
3 of revenue shall certify each such county to the state treasurer; (B) during  
4 the state fiscal year 2008, and each state fiscal year thereafter, the state  
5 treasurer shall make the transfers to the county ad valorem tax reduction  
6 fund on July 15 and December 10 as prescribed by this section based  
7 upon 2.571% of that portion of the total sales and compensating taxes  
8 credited to the state general fund pursuant to articles 36 and 37 of chapter  
9 79 of the Kansas Statutes Annotated, and amendments thereto, during  
10 the preceding calendar year that is attributable to the receipts of such  
11 taxes from all counties; and (C) during the state fiscal year 2008, and each  
12 fiscal year thereafter, the state treasurer shall allocate and distribute to  
13 each county an amount on the same basis as provided in subsection  
14 (b)(1)(B), except that the state treasurer shall not make any allocation and  
15 distribution from the county ad valorem tax reduction fund to the counties  
16 for which the pull factor measure for the preceding calendar year is 1.0  
17 or greater or to any city located within any such county. All such transfers  
18 are subject to reduction under K.S.A. 75-6704, and amendments thereto.  
19 All transfers made in accordance with the provisions of this section shall  
20 be considered to be demand transfers from the state general fund.

21 (c) Each year, the county treasurer of each county shall estimate the  
22 amount of money the county and each city in the county shall receive  
23 from the county ad valorem tax reduction fund. The state treasurer shall  
24 advise each county treasurer, prior to June 1 of each year of the amount  
25 of the county ad valorem tax reduction fund, that the state treasurer  
26 estimates, using the most recent available information, will be such  
27 county's entitlement in the following year. The county treasurer shall  
28 before June 15 of each year, notify the treasurer of each city of the esti-  
29 mated amount in dollars of the distribution to be made from the county  
30 ad valorem tax reduction fund.

31 Sec. 2. This act shall take effect and be in force from and after its  
32 publication in the statute book.