

SESSION OF 2008

**CONFERENCE COMMITTEE REPORT BRIEF
SENATE SUBSTITUTE FOR HOUSE BILL NO. 2590**

As Agreed to April 2, 2008

Brief*

Senate Sub. for HB 2590 would provide for the financing of certain capital improvement and other projects in various counties.

Brown County would be granted additional authority of up to 1.0 percent for construction of a new correctional facility. Barton County would be granted additional authority of up to 0.5 percent for roadway and bridge construction and infrastructure development. Butler County would be granted additional authority of up to 1.0 percent for public safety capital projects or bridge and roadway construction. Jefferson County would be granted additional authority of 0.25 percent to finance the county's obligation as participating employer in the Kansas Public Employees Retirement System for certain eligible police and firefighters. Wilson County would be granted additional local sales tax authority of up to 1.0 percent to finance roadway construction and improvements to federal highways, the development of a new industrial park, and other public infrastructure improvements.

Any such taxes imposed in all counties first require the approval of voters. The Barton County tax, which would be shared with cities, would sunset in 10 years. Taxes in the other four counties, which would not be shared with cities, would sunset once payment of all costs incurred in financing the different projects or revenue bonds were paid.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

Relative to Wilson County, the bill also would authorize the Kansas Development Finance Authority (K DFA) to issue up to \$8 million in revenue bonds for utility and infrastructure facility projects and for certain transportation projects. The bill further would create the Wilson County Capital Improvements Fund (WCCIF) into which all sales tax monies would be deposited from any tax imposed in that county. All expenditures from the WCCIF would be required to pay all costs associated with any revenue bonds issued by K DFA relative to the improvement projects.

An additional section would provide for the transfer to the WCCIF of severance tax receipts that under current law would be set aside for the county's special trust account until such time as the costs associated with the K DFA revenue bonds had been paid.

Conference Committee Action

The Conference Committee on April 2, 2008, agreed to insert all local sales tax provisions contained in HB 2932.

Background

The original HB 2590 dealt with certain definitions necessary to keep Kansas in compliance with the multistate Streamlined Sales and Use Tax Agreement. Those provisions were enacted in 2007 Senate Sub. for HB 2171.

The Senate Assessment and Taxation Committee on March 24, 2008 stripped the bill's original provisions; recommended that a substitute bill be created; and inserted the provisions related to Wilson County.

The legislation would not be expected to have any State General Fund fiscal note.

counties; taxation; capital improvements