

HOUSE BILL No. 2630

By Representatives Osman, Amyx, Ballard, Brownlee Paige, Carlin, Featherston, Meyer, Ohaebosim, Oropeza, L. Ruiz, Sawyer Clayton, Wikle and Woodard

2-2

1 AN ACT concerning taxation; relating to liquor enforcement; providing
2 counties and cities the authority to levy an additional tax for property
3 tax reduction; amending K.S.A. 79-4101 and K.S.A. 2025 Supp. 79-
4 4108 and repealing the existing sections.

5

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

7 Section 1. K.S.A. 79-4101 is hereby amended to read as follows: 79-
8 4101. (a) For the purpose of providing revenue which may be used by the
9 state, counties and cities in the enforcement of the provisions of this act,
10 from and after the effective date of this act, for the privilege of engaging in
11 the business of selling alcoholic liquor by retailers, microbreweries,
12 microdistilleries or farm wineries to consumers in this state or selling
13 alcoholic liquor or cereal malt beverage by distributors to clubs, drinking
14 establishments, public venues or caterers in this state, there is hereby
15 levied and there shall be collected and paid a tax at the rate of 8% upon the
16 gross receipts received from: (1) The sale of alcoholic liquor, cereal malt
17 beverage and nonalcoholic malt beverage by retailers; (2) the sale of
18 alcoholic liquor by microbreweries, microdistilleries or farm wineries to
19 consumers within this state; and (3) the sale of alcoholic liquor or cereal
20 malt beverage by distributors to clubs, drinking establishments, public
21 venues or caterers in this state.

22 (b) (1) *In addition to the tax levied pursuant to subsection (a), the*
23 *governing body of any county or city is hereby authorized to levy a tax at*
24 *the rate of 2% upon gross receipts received as sales described in*
25 *subsection (a).*

26 (2) *The tax authorized by this subsection shall not be levied until:*

27 (A) *The governing body of such county or city has either passed a*
28 *resolution or ordinance calling for an election for approval of the tax by*
29 *the qualified electors; and*

30 (B) *the governing body of the county or city has given notice of its*
31 *intention to submit any such proposition for approval by the qualified*
32 *electors in the manner required by K.S.A. 10-120, and amendments*
33 *thereto, for giving notice of elections for the issuance of bonds. The notice*
34 *shall state the time of the election and the rate and effective date of the*
35 *proposed tax. If a majority of the votes cast and counted on any such*

1 *proposition are in favor thereof, the governing body of the county or city*
2 *shall provide by resolution for the levy of such tax. Any repeal of such tax*
3 *shall be accomplished in the manner provided herein for the adoption and*
4 *approval of such tax.*

5 *(3) The collection of the tax authorized pursuant to this subsection*
6 *shall commence on the first day of the calendar quarter next following the*
7 *60th day after the date of the election authorizing the levy of such tax.*

8 ~~(c)~~ The ~~tax~~ taxes imposed by this section shall be in addition to the
9 license fee imposed on distributors, retailers, microbreweries,
10 microdistilleries and farm wineries by K.S.A. 41-310, and amendments
11 thereto.

12 ~~(e)~~(d) As used in this section, the term "retailer" means the same as
13 such term is defined in K.S.A. 41-102, and amendments thereto.

14 Sec. 2. K.S.A. 2025 Supp. 79-4108 is hereby amended to read as
15 follows: 79-4108. (a) Except as provided in subsection (c), all revenue
16 collected or received by the director of taxation from taxes imposed by
17 K.S.A. 79-4101 through 79-4105, and amendments thereto, shall be
18 remitted to the state treasurer in accordance with the provisions of K.S.A.
19 75-4215, and amendments thereto. Upon receipt of each such remittance,
20 except as provided for in ~~subseetion~~ subsections (b) and (c), the state
21 treasurer shall deposit the entire amount in the state treasury to the credit
22 of the state general fund. The state treasurer shall transfer any moneys
23 remaining in the county and city alcoholic liquor control enforcement fund
24 on the effective date of this act to the state general fund.

25 (b) For each remittance of the taxes collected upon the gross receipts
26 derived from the sale of alcoholic liquor to consumers while on the Kansas
27 state fairgrounds, 30% shall be credited to the state general fund, and the
28 remainder shall be credited to the state fair capital improvements fund
29 established pursuant to K.S.A. 2-223, and amendments thereto. The
30 provisions of this subsection shall expire and have no effect if the state fair
31 is located outside the city limits of the city of Hutchinson, Kansas.

32 (c) The secretary of revenue shall remit up to 100% of the taxes
33 collected upon the gross receipts derived from the sale of alcoholic liquor
34 to consumers within a STAR bond project district as defined in K.S.A. 12-
35 17,162(cc)(2), and amendments thereto, that is included in the tax
36 increment for such district, as defined in K.S.A. 12-17,162, and
37 amendments thereto, as set in the discretion of the secretary of commerce,
38 to the respective bond debt service fund of a city or county that has issued
39 STAR bonds for the undertaking of a STAR bond project, as defined in
40 K.S.A. 12-17,162(aa)(2), and amendments thereto, for the purpose of
41 paying the principal and interest of such bonds, in the same manner as the
42 secretary of revenue remits the state sales and use tax increment to the city
43 or county for such project as provided by the STAR bonds financing act. If

1 the Kansas development finance authority has issued STAR bonds for such
2 a project as provided by the STAR bonds financing act, the secretary shall
3 remit up to 100% of such taxes to the designated bond debt service fund of
4 the Kansas development finance authority for the purpose of paying the
5 principal and interest of such bonds.

6 *(d) For each remittance of the taxes collected pursuant to K.S.A. 79-
7 4101(b), and amendments thereto, 100% shall be credited to the county or
8 city for the amount collected by such county or city. All of the taxes
9 collected pursuant to K.S.A. 79-4101(b), and amendments thereto, for the
10 tax year shall be retained by the county or city and used exclusively to
11 reduce the property tax levy in the next fiscal year by an equal amount as
12 was received in taxes.*

13 Sec. 3. K.S.A. 79-4101 and K.S.A. 2025 Supp. 79-4108 are hereby
14 repealed.

15 Sec. 4. This act shall take effect and be in force from and after its
16 publication in the statute book.