

HOUSE BILL No. 2572

By Representatives Williams, Davis and Hawkins

1-30

1 AN ACT concerning disclosure of economic development incentive data;
2 relating to the Kansas taxpayer transparency act; STAR bonds; income
3 tax credits; benefits received under the promoting employment across
4 Kansas act; expenditures made from the job creation fund; property tax
5 exemptions; amending K.S.A. 2017 Supp. 12-1744a, 74-72,123, 75-
6 5133, 79-3234 and 79-32,267 and repealing the existing sections; also
7 repealing K.S.A. 2017 Supp. 74-72,124.
8

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

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

- 14 (1) The name of the city or county that has exempted the property;
- 15 (2) the legal description of the property;
- 16 (3) the appraised valuation of the property to be exempted from ad
17 valorem taxes as shown on the county records of the county as of the next
18 preceding January 1; and

- 19 (4) the amount of any payment to be made in lieu of taxes.

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

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

- 31 (1) The applicant city or county, the location of each project,
32 including the city and county, and a general description of each project;

- 33 (2) the names of the STAR bond project developer or developers and
34 the names of the principals and officers of each developer, if the developer
35 is a business entity;

- 36 (3) the name of the consultant or business entity that prepared the

- 1 feasibility study and the studies included in the feasibility study, including,
2 but not limited to, the market impact study;
- 3 (4) estimated total project costs, including:
- 4 (A) A breakdown by hard costs, with categories including, but not
5 limited to, land acquisition, infrastructure, hard construction, architecture
6 and engineering and total hard costs; and
- 7 (B) a breakdown by soft costs, with categories including, but not
8 limited to, third party professional costs, sales, miscellaneous soft costs
9 and total soft costs;
- 10 (5) estimated total star bond eligible costs, including a breakdown by
11 total hard and soft costs and by the categories, including, but not limited
12 to, the categories required by paragraph 2(A) and (B);
- 13 (6) the STAR bond budget approved by the secretary of commerce,
14 including the breakdown of expenditures utilized by the secretary of
15 commerce and changes to the STAR bond budget, if any, approved by the
16 secretary;
- 17 (7) the estimated project completion date;
- 18 (8) the length of the term for the STAR bonds issued to finance the
19 project;
- 20 (9) the estimated total gross STAR bond revenues, including, but not
21 limited to, estimated total revenues from retail sales with a separate
22 breakdown for estimated state sales taxes and estimated local sales taxes,
23 to be produced over the term of the bonds issued;
- 24 (10) the total amount of STAR bonds authorized to be issued by the
25 secretary, the total amount of STAR bonds issued if different, and the
26 annual debt service payment made to service the STAR bonds issued;
- 27 (11) the total annual amount of STAR bond revenues received and
28 used for the payment of STAR bonds issued for the project, with a
29 breakdown by the total annual amount of local sales taxes or other local
30 revenue contributions and by the total annual amount of state sales taxes;
- 31 (12) the information provided in the report to the governor and the
32 legislature required by K.S.A. 2017 Supp. 12-17,169(c)(1), and
33 amendments thereto. This information shall be provided to the department
34 of administration at the time the report is submitted to the governor and the
35 legislature;
- 36 (13) the information provided in the report to the senate and house
37 legislative committees required by K.S.A. 2017 Supp. 12-17,169(c)(2),
38 and amendments thereto, at the time the report is provided to the
39 legislative committees;
- 40 (14) the information provided in the audit required by K.S.A. 2017
41 Supp. 12-17,176, and amendments thereto, including the information
42 provided in all schedules and workpapers, at the time the audit results are
43 reported as required by K.S.A. 2017 Supp. 12-17,176, and amendments

1 thereto;

2 (15) summarized explanations provided by the secretary of commerce
3 describing:

4 (A) The purpose of STAR bond funding in general and specifically to
5 the project; and

6 (B) the criteria used by the secretary in approving the project, with
7 citations to the governing statutes and rules and regulations; and

8 (16) the projected economic development benefits and outcomes of
9 the project as described in the secretary's letter approving the project to the
10 city or county and, if available, the method, metrics or measurements to
11 determine the outcomes used by the secretary to measure the success of
12 the project and annual updates on progress pursuant to those measures or
13 metrics toward the projected outcomes.

14 (b) Except as provided by subsection (c)(1), cities, counties,
15 developers, businesses and other recipients of STAR bond proceeds or
16 financing with respect to approved STAR bond project costs shall provide
17 information to the secretary of commerce as requested by the secretary to
18 fulfill the requirements of public disclosure pursuant to subsection (a). The
19 secretary shall require as a condition of approval of a project and
20 authorization for the issuance of STAR bonds that a city or county provide
21 the information and contractually require any developer and any successor
22 in the interest in the project of any developer to provide the information.
23 The requirement to provide information shall be a continuing obligation.
24 Ownership of a project shall not be transferred by a developer without the
25 consent of the secretary. Except if prohibited by federal law, the
26 department of revenue is authorized to provide and shall provide any
27 information to the secretary of commerce, or to the department of
28 administration, if agreed to by the secretary of commerce and the secretary
29 of revenue, as necessary to fulfill the information disclosure requirements
30 of subsection (a).

31 (c) (1) The secretary shall require as a condition of approval of a
32 project and authorization for the issuance of STAR bonds that a city or
33 county provide the information and contractually require any developer
34 and any successor in the interest in the project of any developer to provide
35 the information. The requirement to provide information shall be a
36 continuing obligation. Ownership of a project shall not be transferred by a
37 developer without the consent of the secretary. The information required
38 by subsection (a) shall not be provided to the secretary of commerce, or
39 the information required by subsection (a) shall not be disclosed by the
40 secretary of commerce, if providing the information to the secretary or
41 disclosure by the secretary, respectively, would violate any federal law or
42 confidentiality provisions of any agreements executed before July 1, 2018,
43 between a city, county, the secretary, developer, business or other recipient

1 of STAR bond proceeds or financing. The secretary, and cities, counties
2 and developers as directed by the secretary, shall require developers and
3 businesses or other recipients of STAR bond proceeds or financing that
4 may be required to disclose information to the secretary pursuant to
5 subsection (b) to waive confidentiality as necessary with respect to the
6 information required by subsection (a) in any agreements executed after
7 July 1, 2018.

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

13 (d) The secretary's costs arising from compliance with this section
14 shall be recovered pursuant to the provisions of K.S.A. 2017 Supp. 12-
15 17,164(i), and amendments thereto.

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

18 New Sec. 3. (a) There is hereby established the joint committee on
19 taxpayer transparency that shall be within the legislative branch of state
20 government and that shall consist of five senators and five members of the
21 house of representatives. Two of the senate members shall be appointed by
22 the president of the senate, two of the senate members shall be appointed
23 by the minority leader of the senate and one of the senate members shall
24 be appointed by the chairperson of the committee on commerce. Two of
25 the representative members shall be appointed by the speaker of the house
26 of representatives, two of the representative members shall be appointed
27 by the minority leader of the house of representatives and one of the
28 representative members shall be appointed by the chairperson of the
29 committee on commerce.

30 (b) All members of the joint committee on taxpayer transparency
31 shall serve for terms ending on the first day of the regular legislative
32 session in odd-numbered years. The joint committee shall organize
33 annually and elect a chairperson and vice-chairperson in accordance with
34 this subsection. On and after the first day of the regular session in odd-
35 numbered years, the chairperson shall be one of the representative
36 members of the joint committee elected by the members of the joint
37 committee and the vice-chairperson shall be one of the senate members of
38 the joint committee elected by the members of the joint committee. The
39 chairperson and vice-chairperson shall serve in such capacities until the
40 first day of the regular legislative session in the ensuing year. The vice-
41 chairperson shall exercise all of the powers of the chairperson in the
42 absence of the chairperson. If a vacancy occurs in the office of the
43 chairperson or vice-chairperson, a member of the joint committee, who is a

1 member of the same house as the member who vacated the office, shall be
2 elected by the members of the joint committee to fill such vacancy.

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

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

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

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

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

18 New Sec. 4. (a) The joint committee on taxpayer transparency shall:

19 (1) Advise and consult with the secretary of administration on the
20 content, format and reports to be produced on the website established in
21 K.S.A. 2017 Supp. 74-72,123, and amendments thereto;

22 (2) advise the secretary of administration on incorporating additional
23 information described by this act from any other sources of information
24 available to the secretary of administration, including information
25 submitted by state agencies pursuant to K.S.A. 2017 Supp. 74-72,123(d),
26 and amendments thereto;

27 (3) serve in an advisory capacity to the secretary of administration,
28 who shall, from time to time, consult with and seek the advice of the joint
29 committee on matters related to the further development of the website,
30 expansion of the content of information for the website, and the
31 development of new reports to be generated on the website to assist the
32 public in accessing public information; and

33 (4) seek advice from the general public, professional associations,
34 academic groups and institutions and individuals with knowledge of and
35 interest in areas of public information access, gateway services, add-on
36 services and electronic information.

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

43 Sec. 5. K.S.A. 2017 Supp. 12-1744a is hereby amended to read as

1 follows: 12-1744a. (a) At least seven days prior to the issuance of any
2 revenue bonds, the city or county shall file a statement with the state board
3 of tax appeals of such proposed issuance containing the following
4 information:

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

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

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

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

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

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

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

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

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

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

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

41 (c) Any notice required to be filed pursuant to the provisions of
42 subsection (a) shall be accompanied by a filing fee, which shall be fixed
43 by rules and regulations of the state board of tax appeals, in an amount

1 sufficient to defray the cost of reviewing the information and documents
2 required to be contained in the notice.

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

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

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

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

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

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

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

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

42 (1) Annual expenditures, as determined by the secretary of
43 administration and as available within the central accounting system and

- 1 state payroll system, shall include, but not be limited to:
- 2 (A) Disbursements by any state agency from funds established within
3 the state treasury;
- 4 (B) bond debt payments;
- 5 (C) salaries and wages including, but not limited to, compensation
6 paid to individual employees of state agencies;
- 7 (D) contractual services including, but not limited to, amounts paid to
8 individual vendors;
- 9 (E) commodities including, but not limited to, amounts paid to
10 individual vendors;
- 11 (F) capital outlay including, but not limited to, amounts paid to
12 individual vendors;
- 13 (G) debt service including, but not limited to, amounts of bond
14 interest paid and sources of funds paid for individual bond issues;
- 15 (H) aid to local units including, but not limited to, amounts paid to
16 individual units of government for individually identifiable aid programs;
- 17 (I) other assistance and benefits;
- 18 (J) capital improvements including, but not limited to, amounts of
19 bond principal paid and sources of funds paid for individual bond issues;
20 and
- 21 (K) tax expenditures as reported by the secretary of revenue in the
22 annual tax expenditure report.
- 23 (2) Annual revenues, as determined by the secretary of administration
24 and as available within the central accounting system, shall include, but
25 not be limited to:
- 26 (A) Receipts or deposits by any state agency into funds established
27 within the state treasury;
- 28 (B) taxes including, but not limited to, compulsory contributions
29 imposed by the state for the purpose of financing services;
- 30 (C) agency earnings including, but not limited to, amounts collected
31 by each agency for merchandise sold, services performed, licenses and
32 permits issued, or regulation;
- 33 (D) revenue for the use of money and property including, but not
34 limited to, amounts received for compensation for the use of state-owned
35 money and property;
- 36 (E) gifts, donations and federal grants including, but not limited to,
37 amounts received from public and private entities to aid in support of a
38 specific function or other governmental activity;
- 39 (F) other revenue including, but not limited to, receipts not classified
40 elsewhere; and
- 41 (G) non-revenue receipts including, but not limited to, all receipts that
42 do not constitute revenue.
- 43 (3) Annual bonded indebtedness which shall include, but not be

1 limited to the amount of the total original obligation stated in terms of
2 principal and interest, the term of the obligation, the source of funding for
3 repayment of the obligation, the amounts of principal and interest
4 previously paid to reduce the obligation, the balance remaining of the
5 obligation, any refinancing of the obligation, and the cited statutory
6 authority to issue such bonds.

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

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

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

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

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

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

43 (1) *Income tax credits claimed pursuant to K.S.A. 79-32,160a(e), and*

1 *amendments thereto, for tax year 2017, and all tax years thereafter, that*
2 *shall include the following information:*

3 (A) *The name of the recipient of the credit;*

4 (B) *the county where the qualified business facility invested in is*
5 *located;*

6 (C) *the total amount of the credit earned;*

7 (D) *the total credit amount claimed in the tax year;*

8 (E) *the remaining number of years the credit can be carried forward;*
9 *and*

10 (F) *all such other information as required to be included in the*
11 *taxpayer's return pursuant to K.S.A. 2017 Supp. 79-32,243, and*
12 *amendments thereto;*

13 (2) *income tax credits claimed pursuant to K.S.A. 2017 Supp. 74-*
14 *8133, and amendments thereto, for tax year 2017, and all tax years*
15 *thereafter, which shall include the following information:*

16 (A) *The name of the qualified Kansas business that received the cash*
17 *investment;*

18 (B) *the county where the qualified business is located; and*

19 (C) *the total amount of the credit claimed for investment in the*
20 *qualified business in the tax year;*

21 (3) *income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-*
22 *32,267, and amendments thereto, for tax year 2017, and all tax years*
23 *thereafter, that shall include the following information:*

24 (A) *The rural opportunity zone, as defined by K.S.A. 2017 Supp. 74-*
25 *50,222, and amendments thereto, where the recipient of the credit is*
26 *domiciled;*

27 (B) *the amount of the credit claimed in the tax year; and*

28 (C) *the occupation of the recipient of the credit;*

29 (4) *income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-*
30 *32,182b, and amendments thereto, for tax year 2017, and all tax years*
31 *thereafter, that shall include the following information:*

32 (A) *The name of the recipient of the credit;*

33 (B) *the county where the recipient of the credit is located;*

34 (C) *the total amount of the credit earned; and*

35 (D) *the total credit amount claimed in the tax year;*

36 (5) *income tax credits claimed pursuant to K.S.A. 2017 Supp. 79-*
37 *32,211, and amendments thereto, for tax year 2017, and all tax years*
38 *thereafter, that shall include the following information:*

39 (A) *The name of the recipient of the credit who made qualified*
40 *expenditures under K.S.A. 2017 Supp. 79-32,211, and amendments*
41 *thereto;*

42 (B) *the county where the qualified historic structure is located and a*
43 *description of the property;*

- 1 (C) *the total amount of the credit earned;*
2 (D) *the total credit amount claimed in the tax year; and*
3 (E) *the number of years remaining that the credit may be carried*
4 *forward;*
5 (6) *payments from the job creation fund created by K.S.A. 2017 Supp.*
6 *74-50,224, and amendments thereto, that shall include information in the*
7 *report required by K.S.A. 2017 Supp. 74-50,224(c), and amendments*
8 *thereto;*
9 (7) *sales tax and revenue bonds issued under the STAR bond*
10 *financing act, K.S.A. 2017 Supp. 12-17,162 et seq., and amendments*
11 *thereto, that shall include the following information:*
12 (A) *The names of STAR bond project developers, including the names*
13 *of principals and officers;*
14 (B) *the location and general description of each STAR bond project;*
15 (C) *the total amount of STAR bond funding available for each*
16 *project;*
17 (D) *the amount of STAR bond proceeds received annually by each*
18 *developer or used to finance each development;*
19 (E) *the annual STAR bond project expenditures of each developer to*
20 *be paid or financed by STAR bond proceeds listed by the respective*
21 *permitted project costs as defined in K.S.A. 2017 Supp. 12-17,162(r), and*
22 *amendments thereto; and*
23 (F) *the total amount of local and state sales taxes pledged or*
24 *otherwise intended to be used in whole or in part for the payment of bonds*
25 *issued to finance project costs for each project;*
26 (8) *benefits received under the promoting employment across Kansas*
27 *act, K.S.A. 2017 Supp. 74-50,210 et seq., and amendments thereto, that*
28 *shall include information in the report required by K.S.A. 2017 Supp. 74-*
29 *50,216, and amendments thereto;*
30 (9) *property purchased, acquired, constructed, reconstructed,*
31 *improved, equipped, furnished, repaired, enlarged or remodeled with all*
32 *or any part of the proceeds of revenue bonds issued under authority of*
33 *K.S.A. 12-1740 through 12-1749a, and amendments thereto, that is exempt*
34 *from property or ad valorem taxation under K.S.A. 79-201a Second, and*
35 *amendments thereto, that shall include the information in the report*
36 *required by K.S.A. 12-1744a, and amendments thereto; and*
37 (10) *property exempt from ad valorem taxation pursuant to section 13*
38 *of article 11 of the constitution of the state of Kansas, that shall include*
39 *information in the report required by section 1, and amendments thereto.*
40 (g) *In addition to the information required by this section, the*
41 *following information shall also be included for each of the items listed in*
42 *subsection (f), if available:*
43 (1) *A description of the program and its intended purpose;*

- 1 (2) *criteria for eligibility;*
- 2 (3) *benchmarks necessary for continued participation by a recipient;*
- 3 (4) *economic benefits received by the state of Kansas due as a result*
- 4 *of the program*
- 5 (5) *annual reports; and*
- 6 (6) *statutes where the incentive, eligibility criteria and reporting*
- 7 *requirements are codified.*

8 Sec. 7. K.S.A. 2017 Supp. 75-5133 is hereby amended to read as
9 follows: 75-5133. (a) Except as otherwise more specifically provided by
10 law, all information received by the secretary of revenue, the director of
11 taxation or the director of alcoholic beverage control from returns, reports,
12 license applications or registration documents made or filed under the
13 provisions of any law imposing any sales, use or other excise tax
14 administered by the secretary of revenue, the director of taxation, or the
15 director of alcoholic beverage control, or from any investigation conducted
16 under such provisions, shall be confidential, and it shall be unlawful for
17 any officer or employee of the department of revenue to divulge any such
18 information except in accordance with other provisions of law respecting
19 the enforcement and collection of such tax, in accordance with proper
20 judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

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

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

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

26 (3) provide the post auditor access to all such excise tax reports or
27 returns in accordance with and subject to the provisions of K.S.A. 46-
28 1106(g), and amendments thereto;

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

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

40 (6) provide, upon request by a city or county clerk or treasurer or
41 finance officer of any city or county receiving distributions from a local
42 excise tax, monthly reports identifying each retailer doing business in such
43 city or county or making taxable sales sourced to such city or county,

1 setting forth the tax liability and the amount of such tax remitted by each
2 retailer during the preceding month, and identifying each business location
3 maintained by the retailer and such retailer's sales or use tax registration or
4 account number;

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

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

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

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

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

38 (12) provide environmental surcharge or solvent fee, or both,
39 information from returns and applications for registration filed pursuant to
40 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secretary
41 of health and environment or the secretary's designee for the sole purpose
42 of ensuring that retailers collect the environmental surcharge tax or solvent
43 fee, or both;

1 (13) provide water protection fee information from returns and
2 applications for registration filed pursuant to K.S.A. 82a-954, and
3 amendments thereto, to the secretary of the state board of agriculture or the
4 secretary's designee and the secretary of the Kansas water office or the
5 secretary's designee for the sole purpose of verifying revenues deposited to
6 the state water plan fund;

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

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

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

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

27 (18) release or publish charitable gaming information obtained in
28 charitable gaming licensee and registration applications and renewals in
29 accordance with the Kansas charitable gaming act, K.S.A. 2017 Supp. 75-
30 5171 et seq., and amendments thereto. The information to be released is
31 limited to: The name, address, phone number, license registration number
32 and email address of the organization, distributor or of premises; ~~and~~

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

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

41 (B) a court, arbitrator, data clearinghouse or similar entity for the
42 purpose of assessing compliance with or making calculations required by
43 the master settlement agreement or agreements regarding disputes under

1 the master settlement agreement, and with counsel for the parties or expert
2 witnesses in any such proceeding, if the information otherwise remains
3 confidential; and

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

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

11 (d) Any violation of this section shall be a class A, nonperson
12 misdemeanor, and if the offender is an officer or employee of this state,
13 such officer or employee shall be dismissed from office. Reports of
14 violations of this paragraph shall be investigated by the attorney general.
15 The district attorney or county attorney and the attorney general shall have
16 authority to prosecute any violation of this section if the offender is a city
17 or county clerk or treasurer or finance officer of a city or county.

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

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

42 (c) The secretary or the secretary's designee may: (1) Publish
43 statistics, so classified as to prevent the identification of particular reports

1 or returns and the items thereof;

2 (2) allow the inspection of returns by the attorney general or other
3 legal representatives of the state;

4 (3) provide the post auditor access to all income tax reports or returns
5 in accordance with and subject to the provisions of ~~subsection (g) of~~
6 K.S.A. 46-1106(g) or K.S.A. 46-1114, and amendments thereto;

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

11 (5) disclose to the secretary of commerce the following: (A) Specific
12 taxpayer information related to financial information previously submitted
13 by the taxpayer to the secretary of commerce concerning or relevant to any
14 income tax credits, for purposes of verification of such information or
15 evaluating the effectiveness of any tax credit or economic incentive
16 program administered by the secretary of commerce; (B) the amount of
17 payroll withholding taxes an employer is retaining pursuant to K.S.A.
18 2017 Supp. 74-50,212, and amendments thereto; (C) information received
19 from businesses completing the form required by K.S.A. 2017 Supp. 74-
20 50,217, and amendments thereto; and (D) findings related to a compliance
21 audit conducted by the department of revenue upon the request of the
22 secretary of commerce pursuant to K.S.A. 2017 Supp. 74-50,215, and
23 amendments thereto;

24 (6) disclose income tax returns to the state gaming agency to be used
25 solely for the purpose of determining qualifications of licensees of and
26 applicants for licensure in tribal gaming. Any information received by the
27 state gaming agency shall be confidential and shall not be disclosed except
28 to the executive director, employees of the state gaming agency and
29 members and employees of the tribal gaming commission;

30 (7) disclose the taxpayer's name, last known address and residency
31 status to the Kansas department of wildlife, parks and tourism to be used
32 solely in its license fraud investigations;

33 (8) disclose the name, residence address, employer or Kansas
34 adjusted gross income of a taxpayer who may have a duty of support in a
35 title IV-D case to the secretary of the Kansas department for children and
36 families for use solely in administrative or judicial proceedings to
37 establish, modify or enforce such support obligation in a title IV-D case. In
38 addition to any other limits on use, such use shall be allowed only where
39 subject to a protective order which prohibits disclosure outside of the title
40 IV-D proceeding. As used in this section, "title IV-D case" means a case
41 being administered pursuant to part D of title IV of the federal social
42 security act, 42 U.S.C. § 651 et seq., and amendments thereto. Any person
43 receiving any information under the provisions of this subsection shall be

1 subject to the confidentiality provisions of subsection (b) and to the
2 penalty provisions of subsection (e);

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

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

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

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

32 (13) ~~(i)~~ (A) provide taxpayer information of persons suspected of
33 violating K.S.A. 2017 Supp. 44-766, and amendments thereto, to the
34 secretary of labor or such secretary's designee for the purpose of
35 determining compliance by any person with the provisions of ~~subsection~~
36 ~~(i)(3)(D)~~ of K.S.A. 44-703(i)(3)(D) and K.S.A. 2017 Supp. 44-766, and
37 amendments thereto. The information to be provided shall include all
38 relevant information in the possession of the department of revenue
39 necessary for the secretary of labor to make a proper determination of
40 compliance with the provisions of ~~subsection (i)(3)(D)~~ of K.S.A. 44-703(i)
41 (3)(D) and K.S.A. 2017 Supp. 44-766, and amendments thereto, and to
42 calculate any unemployment contribution taxes due. Such information to
43 be provided by the department of revenue shall include, but not be limited

1 to, withholding tax and payroll information, the identity of any person that
2 has been or is currently being audited or investigated in connection with
3 the administration and enforcement of the withholding and declaration of
4 estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto, and the
5 results or status of such audit or investigation;

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

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

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

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

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

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

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

41 (f) For the purpose of determining whether a defendant is financially
42 able to employ legal counsel under the provisions of K.S.A. 22-4504, and
43 amendments thereto, in all felony cases with appointed counsel where the

1 defendant's social security number is accessible from the records of the
2 district court, the court shall electronically provide the defendant's name,
3 social security number, district court case number and county to the
4 secretary of revenue in the manner and format agreed to by the office of
5 judicial administration and the secretary.

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

12 Sec. 9. K.S.A. 2017 Supp. 79-32,267 is hereby amended to read as
13 follows: 79-32,267. (a) For taxable years commencing after December 31,
14 2011, and before January 1, 2022, there shall be allowed as a credit against
15 the tax liability of a resident individual taxpayer an amount equal to the
16 resident individual's income tax liability under the provisions of the
17 Kansas income tax act, when the resident individual:

18 (1) Establishes domicile in a rural opportunity zone on or after July 1,
19 2011, and prior to January 1, 2021 and was domiciled outside this state for
20 five or more years immediately prior to establishing their domicile in a
21 rural opportunity zone in this state;

22 (2) had Kansas source income less than \$10,000 in any one year for
23 five or more years immediately prior to establishing their domicile in a
24 rural opportunity zone in this state; and

25 (3) was domiciled in a rural opportunity zone during the entire
26 taxable year for which such credit is claimed.

27 (b) A resident individual may claim the credit authorized by this
28 section for not more than five consecutive years following establishment
29 of their domicile in a rural opportunity zone.

30 (c) The maximum amount of any refund under this section shall be
31 equal to the amount withheld from the resident individual's wages or
32 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
33 amendments thereto, or paid by the resident individual as estimated taxes
34 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

35 (d) No credit shall be allowed under this section if:

36 (1) The resident individual's income tax return on which the credit is
37 claimed is not timely filed, including any extension; or

38 (2) the resident individual is delinquent in filing any return with, or
39 paying any tax due to, the state of Kansas or any political subdivision
40 thereof.

41 (e) This section shall be part of and supplemental to the Kansas
42 income tax act.

43 (f) *Beginning in tax year 2018, in order to qualify for the credit in*

1 *subsection (a), a taxpayer must report such taxpayer's occupation to the*
2 *department of revenue for the purpose of disclosing such information*
3 *pursuant to K.S.A. 2017 Supp. 74-72,123, and amendments thereto.*

4 Sec. 10. K.S.A. 2017 Supp. 12-1744a, 74-72,123, 74-72,124, 75-
5 5133, 79-3234 and 79-32,267 are hereby repealed.

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