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MEMORANDUM

To: Madam Chair and Members of the Committee on Assessment and Taxation
From: The Office of Revisor of Statutes
Date: March 11, 2020
Subject: Senate Bill No. 414

Summary

Senate Bill No. 414 concerns community improvement districts and excludes grocery stores from districts created or districts modified on and after July 1, 2020.

Currently, the community improvement district act, K.S.A. 2019 Supp. 12-6a26 et seq., allows the governing body of any municipality, which is defined as any city or county, to create a district as provided in the act for the purpose of financing projects as defined in the act. The act authorizes the levy of special assessments upon property in the district and the imposition of a community improvement district sales tax within the district not to exceed 2%, subject to the provisions of the act. See K.S.A. 2019 Supp. 12-6a30 and 12-6a31.

The bill would amend K.S.A. 2019 Supp. 12-6a29 relating to the creation or establishment of a community improvement district. The bill would add a new subsection to provide:

- No grocery store shall be included within a district created on and after July 1, 2020, or within any modification to any district made on and after such date.
- No grocery store that relocates to or begins business on and after July 1, 2020, within a district that was created prior to such date shall be subject to the community improvement district sales tax.
- A grocery store may be benefited by a project as provided by subsection (e).

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The bill also provides a definition for purposes of the new subsection. "Grocery store" means an establishment that is classified within north American industry classification system code 445110, including a commissary primarily retailing groceries, delicatessen primarily retailing a range of grocery items and meats, grocery store or supermarket or other establishment primarily engaged in retailing a general line of food, such as canned and frozen foods, fresh fruits and vegetables, fresh and prepared meats, fish and poultry.

The bill would take effect from and after its publication in the statute book.