

SENATE BILL No. 241

By Committee on Ways and Means

5-2

1 AN ACT concerning state funds; relating to the local ad valorem tax
2 reduction fund, county and city revenue sharing fund and job creation
3 program fund; transfers from or credits to such funds; prior specific
4 authorization by an act of the legislature or an appropriation act of the
5 legislature required; amending K.S.A. 74-50,107 and K.S.A. 2018
6 Supp. 79-2959 and 79-2964 and repealing the existing sections.
7

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

9 Section 1. K.S.A. 74-50,107 is hereby amended to read as follows:
10 74-50,107. (a) *Subject to the provisions of subsection (c)*, commencing
11 July 1, ~~2017~~ 2019, and on the first day of each month thereafter ~~during~~
12 ~~fiscal year 2018, fiscal year 2019, and fiscal year 2020~~, the secretary of
13 revenue shall apply a rate of 2% to that portion of moneys withheld from
14 the wages of individuals and collected under the Kansas withholding and
15 declaration of estimated tax act, K.S.A. 79-3294 et seq., and amendments
16 thereto. The amount so determined shall be credited on a monthly basis as
17 follows: (1) An amount necessary to meet obligations of the debt services
18 for the IMPACT program repayment fund; and (2) an amount to the
19 IMPACT program services fund as needed for program administration; and
20 (3) any remaining amounts to the job creation program fund created
21 pursuant to K.S.A. 74-50,224, and amendments thereto. ~~During fiscal year~~
22 ~~2018, fiscal year 2019, and fiscal year 2020, the aggregate amount that is~~
23 ~~credited to the job creation program fund pursuant to this subsection shall~~
24 ~~not exceed \$3,500,000 for each such fiscal year.~~

25 (b) *Subject to the provisions of subsection (c)*, commencing July 1,
26 ~~2020~~ 2019, and on an annual basis thereafter, the secretary of revenue shall
27 estimate the amount equal to the amount of net savings realized from the
28 elimination, modification or limitation of any credit, deduction or program
29 pursuant to the provisions of this act as compared to the expense deduction
30 provided for in K.S.A. 2018 Supp. 79-32,143a, and amendments thereto.
31 Whereupon such amount of savings in accordance with appropriation acts
32 shall be remitted to the state treasurer in accordance with the provisions of
33 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
34 remittance, the state treasurer shall deposit the entire amount to the credit
35 of the job creation program fund created pursuant to K.S.A. 74-50,224,
36 and amendments thereto. In addition, such other amount or amounts of

1 money may be transferred from the state general fund or any other fund or
2 funds in the state treasury to the job creation program fund in accordance
3 with appropriation acts.

4 *(c) During any fiscal year, the aggregate amount that is credited to*
5 *the job creation program fund pursuant to this section shall not exceed*
6 *\$3,300,000. No additional moneys shall be credited to such fund without*
7 *prior specific authorization by an act of the legislature or an*
8 *appropriation act of the legislature.*

9 Sec. 2. K.S.A. 2018 Supp. 79-2959 is hereby amended to read as
10 follows: 79-2959. (a) There is hereby created the local ad valorem tax
11 reduction fund. All moneys transferred or credited to such fund under the
12 provisions of this act or any other law shall be apportioned and distributed
13 in the manner provided herein.

14 (b) On January 15 and on July 15 of each year, the director of
15 accounts and reports shall make transfers in equal amounts which in the
16 aggregate equal 3.63% of the total retail sales and compensating taxes
17 credited to the state general fund pursuant to articles 36 and 37 of chapter
18 79 of the Kansas Statutes Annotated, and amendments thereto, during the
19 preceding calendar year from the state general fund to the local ad valorem
20 tax reduction fund, except that: ~~(1) no moneys shall be transferred from the~~
21 ~~state general fund to the local ad valorem tax reduction fund during state~~
22 ~~fiscal years 2018, 2019 and 2020; and (2) the amount of the transfer on~~
23 ~~each such date shall be \$27,000,000 during fiscal year 2021 and all fiscal~~
24 ~~years thereafter any fiscal year without prior specific authorization by an~~
25 ~~act of the legislature or an appropriation act of the legislature. Such act of~~
26 ~~the legislature shall specify if the transfer is a demand transfer or a~~
27 ~~revenue transfer. All such transfers are subject to reduction under K.S.A.~~
28 ~~75-6704, and amendments thereto. All transfers made in accordance with~~
29 ~~the provisions of this section shall be considered to be demand transfers~~
30 ~~from the state general fund, except that all such transfers during fiscal year~~
31 ~~2021 shall be considered to be revenue transfers from the state general~~
32 ~~fund.~~

33 (c) The state treasurer shall apportion and pay the amounts transferred
34 under subsection (b) to the several county treasurers on January 15 and on
35 July 15 in each year as follows: (1) Sixty-five percent of the amount to be
36 distributed shall be apportioned on the basis of the population figures of
37 the counties certified to the secretary of state pursuant to K.S.A. 11-201,
38 and amendments thereto, on July 1 of the preceding year; and (2) thirty-
39 five percent of such amount shall be apportioned on the basis of the
40 equalized assessed tangible valuations on the tax rolls of the counties on
41 November 1 of the preceding year as certified by the director of property
42 valuation.

43 Sec. 3. K.S.A. 2018 Supp. 79-2964 is hereby amended to read as

1 follows: 79-2964. There is hereby created the county and city revenue
2 sharing fund. All moneys transferred or credited to such fund under the
3 provisions of this act or any other law shall be allocated and distributed in
4 the manner provided herein. The director of accounts and reports in each
5 year on July 15 and December 10, shall make transfers in equal amounts
6 which in the aggregate equal 2.823% of the total retail sales and
7 compensating taxes credited to the state general fund pursuant to articles
8 36 and 37 of chapter 79 of the Kansas Statutes Annotated, and
9 amendments thereto, during the preceding calendar year from the state
10 general fund to the county and city revenue sharing fund, except that no
11 moneys shall be transferred from the state general fund to the county and
12 city revenue sharing fund during ~~state fiscal years 2018, 2019, and 2020~~
13 *any fiscal year without prior specific authorization by an act of the*
14 *legislature or an appropriation act of the legislature.* All such transfers are
15 subject to reduction under K.S.A. 75-6704, and amendments thereto. All
16 transfers made in accordance with the provisions of this section shall be
17 considered to be demand transfers from the state general fund.

18 Sec. 4. K.S.A. 74-50,107 and K.S.A. 2018 Supp. 79-2959 and 79-
19 2964 are hereby repealed.

20 Sec. 5. This act shall take effect and be in force from and after its
21 publication in the statute book.