

Substitute for HOUSE BILL No. 2686

By Committee on Water

3-2

1 AN ACT concerning water; relating to sales and compensating use tax;
2 requiring groundwater management districts to provide certain reports
3 to the legislature; distributing a portion of the revenue from the sales
4 and compensating use tax to the state water plan fund; amending
5 K.S.A. 79-3620 and 79-3710 and repealing the existing sections.
6

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

8 New Section 1. (a) Not later than January 31 of each year, the board
9 of each district shall annually submit to the house of representatives
10 standing committee on water, the house of representatives standing
11 committee on agriculture, the senate standing committee on agriculture
12 and natural resources and any other appropriate committees, and any
13 successor committees, a written report on the finances and activities of the
14 district in the calendar year most recently audited. Such report shall
15 contain a detailed financial statement and a description of the activities
16 undertaken by the board and shall be prepared according to generally
17 accepted accounting principles. If the most recently audited year is not the
18 previous calendar year, then a draft or unaudited report for the previous
19 calendar year shall also be submitted. A representative of the board shall
20 appear before the committee upon request.

21 (b) The financial statement included in the annual report shall
22 include, at a minimum, the following information:

23 (1) An itemized list of all income and the source from which the
24 income was received, including any grants and interest income earned;

25 (2) an itemized list of all expenditures by the board; and

26 (3) an accounting of all assets currently held by the board.

27 (c) The annual report shall also include a detailed statement that
28 explains how the expenditures by the board served to further the
29 conservation of groundwater, the prevention of economic deterioration and
30 the stabilization of agriculture or otherwise supported implementation of
31 the district's management program.

32 (d) Failure to timely provide the annual report with the information
33 required by this section shall result in a suspension of the board's authority
34 to make any further expenditures for the calendar year when the report was
35 due, except for costs directly related to completion of the required report.

36 (e) Not later than January 15, 2023, the board of each district shall

1 submit to the house of representatives standing committee on water, the
2 house of representatives standing committee on agriculture, the senate
3 standing committee on agriculture and natural resources and any other
4 appropriate committees, and any successor committees, a report that
5 includes the following:

6 (1) An itemized list of each resolution, program established or other
7 action by the board that resulted in measurable conservation of water over
8 the last five years and the total cost of implementation of each item listed;

9 (2) an itemized list of each resolution, program established or other
10 action by the board that the board believes may have encouraged
11 conservation but did not result in any measurable conservation of water or
12 any other quantifiable data over the last five years and the total costs of
13 implementation of each item listed;

14 (3) the goals and priorities set by the board for any period over the
15 next 20 years and any actions taken by the board to achieve such goals and
16 priorities; and

17 (4) a list of the areas within each district that meet the criteria set
18 forth in K.S.A. 82a-1036(a) through (e), and amendments thereto, and any
19 specific actions taken to address the conditions in each area.

20 (f) This section shall be a part of and supplemental to K.S.A. 82a-
21 1020 through 82a-1042, and amendments thereto.

22 Sec. 2. K.S.A. 79-3620 is hereby amended to read as follows: 79-
23 3620. (a) All revenue collected or received by the director of taxation from
24 the taxes imposed by this act shall be remitted to the state treasurer in
25 accordance with the provisions of K.S.A. 75-4215, and amendments
26 thereto. Upon receipt of each such remittance, the state treasurer shall
27 deposit the entire amount in the state treasury, less amounts withheld as
28 provided in subsection (b) and amounts credited as provided in subsections
29 (c), (d) and (e), to the credit of the state general fund.

30 (b) A refund fund; designated as "sales tax refund fund" not to exceed
31 \$100,000 shall be set apart and maintained by the director from sales tax
32 collections and estimated tax collections and held by the state treasurer for
33 prompt payment of all sales tax refunds. Such fund shall be in such
34 amount, within the limit set by this section, as the director shall determine
35 is necessary to meet current refunding requirements under this act. In the
36 event such fund as established by this section is, at any time, insufficient to
37 provide for the payment of refunds due claimants thereof, the director shall
38 certify the amount of additional funds required to the director of accounts
39 and reports ~~who~~. *The director of accounts and reports* shall promptly
40 transfer the required amount from the state general fund to the sales tax
41 refund fund; and notify the state treasurer, who shall make proper entry in
42 the records.

43 (c) (1) ~~On July 1, 2010, the state treasurer shall credit 11.427% of the~~

1 revenue collected and received from the tax imposed by K.S.A. 79-3603,
2 and amendments thereto, at the rate of 6.3%, and deposited as provided by
3 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
4 the state highway fund.

5 (2) ~~On July 1, 2011, the state treasurer shall credit 11.26% of the~~
6 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
7 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
8 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
9 ~~the state highway fund.~~

10 (3) ~~On July 1, 2012, the state treasurer shall credit 11.233% of the~~
11 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
12 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
13 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
14 ~~the state highway fund.~~

15 (4) ~~On July 1, 2013, the state treasurer shall credit 17.073% of the~~
16 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
17 ~~and amendments thereto, at the rate of 6.15%, and deposited as provided~~
18 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
19 ~~(d), in the state highway fund.~~

20 (5) ~~On July 1, 2015, the state treasurer shall credit 16.226% of the~~
21 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
22 ~~and amendments thereto, at the rate of 6.5%, and deposited as provided by~~
23 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
24 ~~the state highway fund.~~

25 (6) On July 1, 2016, and thereafter, the state treasurer shall credit
26 16.154% of the revenue collected and received from the tax imposed by
27 K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%; and
28 deposited as provided by subsection (a), exclusive of amounts credited
29 pursuant to subsection (d), in the state highway fund; *and*

30 (2) *on July 1, 2022, and thereafter, the state treasurer shall credit*
31 *1.538% of the revenue collected and received from the tax imposed by*
32 *K.S.A. 79-3603, and amendments thereto, at the rate of 6.5% and*
33 *deposited as provided by subsection (a), exclusive of amounts credited*
34 *pursuant to subsection (d), in the state water plan fund.*

35 (d) The state treasurer shall credit all revenue collected or received
36 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
37 certified by the director, from taxpayers doing business within that portion
38 of a STAR bond project district occupied by a STAR bond project or
39 taxpayers doing business with such entity financed by a STAR bond
40 project as defined in K.S.A. 2021 Supp. 12-17,162, and amendments
41 thereto, that was determined by the secretary of commerce to be of
42 statewide as well as local importance or will create a major tourism area
43 for the state or the project was designated as a STAR bond project as

1 defined in K.S.A. 2021 Supp. 12-17,162, and amendments thereto, to the
2 city bond finance fund, which fund is hereby created. The provisions of
3 this subsection shall expire when the total of all amounts credited
4 hereunder and under K.S.A. 79-3710(d), and amendments thereto, is
5 sufficient to retire the special obligation bonds issued for the purpose of
6 financing all or a portion of the costs of such STAR bond project.

7 (e) All revenue certified by the director of taxation as having been
8 collected or received from the tax imposed by K.S.A. 79-3603(c), and
9 amendments thereto, on the sale or furnishing of gas, water, electricity and
10 heat for use or consumption within the intermodal facility district
11 described in this subsection, shall be credited by the state treasurer to the
12 state highway fund. Such revenue may be transferred by the secretary of
13 transportation to the rail service improvement fund pursuant to law. The
14 provisions of this subsection shall take effect upon certification by the
15 secretary of transportation that a notice to proceed has been received for
16 the construction of the improvements within the intermodal facility
17 district, but not later than December 31, 2010, and shall expire when the
18 secretary of revenue determines that the total of all amounts credited
19 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is
20 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
21 revenues shall be collected and distributed in accordance with applicable
22 law. For all tax reporting periods during which the provisions of this
23 subsection are in effect, none of the exemptions contained in K.S.A. 79-
24 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
25 of any gas, water, electricity and heat for use or consumption within the
26 intermodal facility district. As used in this subsection, "intermodal facility
27 district" shall consist of an intermodal transportation area as defined by
28 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
29 within the polygonal-shaped area having Waverly Road as the eastern
30 boundary, 191st Street as the southern boundary, Four Corners Road as the
31 western boundary, and Highway 56 as the northern boundary, and the
32 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
33 Street as the southern boundary, Waverly Road as the western boundary,
34 and the BNSF mainline track as the northern boundary, that includes
35 capital investment in an amount exceeding \$150 million for the
36 construction of an intermodal facility to handle the transfer, storage and
37 distribution of freight through railway and trucking operations.

38 Sec. 3. K.S.A. 79-3710 is hereby amended to read as follows: 79-
39 3710. (a) All revenue collected or received by the director under the
40 provisions of this act shall be remitted to the state treasurer in accordance
41 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
42 receipt of each such remittance, the state treasurer shall deposit the entire
43 amount in the state treasury, less amounts set apart as provided in

1 subsection (b) and amounts credited as provided in subsection (c), (d) and
2 (e), to the credit of the state general fund.

3 (b) A revolving fund; designated as "compensating tax refund fund"
4 not to exceed \$10,000 shall be set apart and maintained by the director
5 from compensating tax collections and estimated tax collections and held
6 by the state treasurer for prompt payment of all compensating tax refunds.
7 Such fund shall be in such amount, within the limit set by this section, as
8 the director shall determine is necessary to meet current refunding
9 requirements under this act.

10 (c) (1) ~~On July 1, 2010, the state treasurer shall credit 11.427% of the~~
11 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
12 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
13 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
14 ~~the state highway fund.~~

15 (2) ~~On July 1, 2011, the state treasurer shall credit 11.26% of the~~
16 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
17 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
18 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
19 ~~the state highway fund.~~

20 (3) ~~On July 1, 2012, the state treasurer shall credit 11.233% of the~~
21 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
22 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
23 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
24 ~~the state highway fund.~~

25 (4) ~~On July 1, 2013, the state treasurer shall credit 17.073% of the~~
26 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
27 ~~and amendments thereto, at the rate of 6.15%, and deposited as provided~~
28 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
29 ~~(d), in the state highway fund.~~

30 (5) ~~On July 1, 2015, the state treasurer shall credit 16.226% of the~~
31 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
32 ~~and amendments thereto, at the rate of 6.5%, and deposited as provided by~~
33 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
34 ~~the state highway fund.~~

35 (6) On July 1, 2016, and thereafter, the state treasurer shall credit
36 16.154% of the revenue collected and received from the tax imposed by
37 K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%; and
38 deposited as provided by subsection (a), exclusive of amounts credited
39 pursuant to subsection (d), in the state highway fund; *and*

40 (2) *on July 1, 2022, and thereafter, the state treasurer shall credit*
41 *1.538% of the revenue collected and received from the tax imposed by*
42 *K.S.A. 79-3703, and amendments thereto, at the rate of 6.5% and*
43 *deposited as provided by subsection (a), exclusive of amounts credited*

1 *pursuant to subsection (d), in the state water plan fund.*

2 (d) The state treasurer shall credit all revenue collected or received
3 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
4 certified by the director, from taxpayers doing business within that portion
5 of a redevelopment district occupied by a redevelopment project that was
6 determined by the secretary of commerce to be of statewide as well as
7 local importance or will create a major tourism area for the state as defined
8 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
9 fund created by K.S.A. 79-3620(d), and amendments thereto. The
10 provisions of this subsection shall expire when the total of all amounts
11 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,
12 is sufficient to retire the special obligation bonds issued for the purpose of
13 financing all or a portion of the costs of such redevelopment project.

14 This subsection shall not apply to a project designated as a special bond
15 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

16 (e) All revenue certified by the director of taxation as having been
17 collected or received from the tax imposed by K.S.A. 79-3603(c), and
18 amendments thereto, on the sale or furnishing of gas, water, electricity and
19 heat for use or consumption within the intermodal facility district
20 described in this subsection, shall be credited by the state treasurer to the
21 state highway fund. Such revenue may be transferred by the secretary of
22 transportation to the rail service improvement fund pursuant to law. The
23 provisions of this subsection shall take effect upon certification by the
24 secretary of transportation that a notice to proceed has been received for
25 the construction of the improvements within the intermodal facility
26 district, but not later than December 31, 2010, and shall expire when the
27 secretary of revenue determines that the total of all amounts credited
28 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is
29 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
30 revenues shall be collected and distributed in accordance with applicable
31 law. For all tax reporting periods during which the provisions of this
32 subsection are in effect, none of the exemptions contained in K.S.A. 79-
33 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
34 of any gas, water, electricity and heat for use or consumption within the
35 intermodal facility district. As used in this subsection, "intermodal facility
36 district" shall consist of an intermodal transportation area as defined by
37 K.S.A. 12-1770a(o), and amendments thereto, located in Johnson county
38 within the polygonal-shaped area having Waverly Road as the eastern
39 boundary, 191st Street as the southern boundary, Four Corners Road as the
40 western boundary, and Highway 56 as the northern boundary, and the
41 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
42 Street as the southern boundary, Waverly Road as the western boundary,
43 and the BNSF mainline track as the northern boundary, that includes

1 capital investment in an amount exceeding \$150 million for the
2 construction of an intermodal facility to handle the transfer, storage and
3 distribution of freight through railway and trucking operations.

4 Sec. 4. K.S.A. 79-3620 and 79-3710 are hereby repealed.

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