

HB 2192 -- RECREATIONAL AND COMMUNITY CENTER DISTRICT SALES TAX

SPONSOR: Neth

This bill allows the governing body of Clay County, through the creation of a recreational and community center district which may include only the area encompassed by Liberty School District, to impose a sales tax on all retail sales made within the recreational and community center district which are subject to sales tax. The tax authorized may not exceed .5% and will be used for the purpose of funding:

- (1) The construction, maintenance, operation of, and purchase of equipment for a new community center in Kansas City;
- (2) The repair, improvement, maintenance, and operation of the community center in Liberty; and
- (3) Other purposes of recreation and wellness as determined by the board.

The tax will be in addition to all other sales taxes imposed by law and must be stated separately from all other charges and taxes. No order or ordinance may become effective unless the Clay County Commission submits to the voters in the Recreational and Community Center District a proposal to impose the tax.

If the county commission receives a petition signed by 10% of the registered voters of the county within the Recreational and Community Center District who voted in the last gubernatorial election calling for an election to impose a tax, the commission must submit to the voters a proposal to impose the tax. If a majority of the votes cast on the question are in favor of the question, then the tax becomes effective on the first day of the second calendar quarter after the Director of Revenue receives notification of adoption of the local sales tax. If a majority of the votes cast on the question are opposed to the question, then the tax does not become effective unless the question is resubmitted to the qualified voters and is approved by the requisite majority of voters. The proposal cannot be submitted to the voters sooner than 12 months from the date of the last proposal.

All revenue collected from the tax by the Director of the Department of Revenue, except for 1% for the cost of collection, will be deposited in a special trust fund known as the "Recreational and Community Center District Sales Tax Trust Fund." The county commission may submit the question of repeal of the tax to the voters within the Recreational and Community Center District

on any date available for elections for the county or if the county commission receives a petition signed by at least 10% of the registered voters within the Recreational and Community Center District voting in the last gubernatorial election calling for an election to repeal the sales tax, the commission must submit the question of repeal of the tax to the voters. However, the sales tax may not be repealed until all outstanding debt has been paid. If a two-thirds majority of the votes cast are in favor of the repeal, the repeal becomes effective on December 31 of the calendar year in which the repeal was approved. If less than a two-thirds majority of the votes cast are in favor of the repeal, then the sales tax remains effective until the question is resubmitted to the voters. In no event may a proposal be submitted to the voters sooner than 12 months from the date of the last proposal.

If the tax is repealed or terminated, all funds remaining in the special trust fund must continue to be used solely for the designated purposes, and the county must notify the Director of the Department of Revenue of the action at least 90 days before the effective date of the repeal and the Director may order retention in the trust fund for a period of one year if 2% of the amount collected after receipt of the notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of the accounts. After one year has elapsed after the effective date of abolition of the tax, the department director must remit the balance in the account to the county and close the account.

A board must be established to administer the powers and duties of the district. All board members must be residents of the district. The board will consist of seven members from specified areas of the district.