

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2732

As Amended by House Committee on Taxation

Brief*

HB 2732, as amended, would enact the Gage Park Improvement Authority Act (Act), providing for the Shawnee County Commission to submit a question to the voters of Shawnee County regarding the creation of a Gage Park Improvement Authority (Authority) and the imposition of a local sales tax to benefit Gage Park, the Topeka Zoo, and the Kansas Children's Discovery Center.

Creation of Authority and Imposition of Tax

The bill would authorize the Shawnee County Commission, after a public hearing and adoption of resolution, to submit to the voters of Shawnee County a question of the creation of the Authority and imposition of a sales tax of at least 0.2 percent and not more than 0.5 percent to benefit Gage Park, the Topeka Zoo, and the Kansas Children's Discovery Center. The bill would also require the Commission to submit the question to the voters upon the submission of a petition signed by Shawnee County voters numbering at least 5 percent of the number of Shawnee County voters voting in the most recent regular county election.

If a majority of voters vote in favor of the Authority and tax, the Authority would be created and the tax imposed. The tax would be administered by the Department of Revenue in the same manner as other countywide retailers' sales taxes, except the tax would not count towards Shawnee County's

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

sales tax authority, and the entire proceeds of the tax would be deposited in the Gage Park Improvement Sales Tax Fund within the State Treasury and remitted at least quarterly to the Authority.

If a majority of the voters do not vote in favor of the Authority and the tax, the question could not be submitted to the voters again for a period of one year.

If the tax rate submitted to the voters is less than 0.5 percent, the Shawnee County Commission would be permitted to submit an additional question to voters at a later date to increase the sales tax rate up to 0.5 percent. If a majority of the voters do not vote in favor of the additional tax, the question could not be submitted to the voters again for a period of one year.

Any sales taxes enacted pursuant to the Act would remain in effect unless repealed in the same manner as the approval of the tax.

Authority Governance and Operation

The Authority would be governed by a Board of seven residents of Shawnee County:

- The Director of Shawnee County Parks and Recreation, or designee;
- The Director of the Topeka Zoo, who may be the head of a nonprofit operator of the Topeka Zoo, or designee;
- The Director of the Kansas Children's Discovery Center, who may be the head of a nonprofit operator of the Kansas Children's Discovery Center, or designee;

- Two members appointed by the Topeka City Council; and
- Two members appointed by the Shawnee County Commission.

Members appointed by the Topeka City Council and Shawnee County Commission would serve three-year terms or until a successor is appointed, but could be removed by the appointing entity. The terms of the Directors would last as long as the individual is in that position. Any vacancies would be filled in the same manner as the vacated member was appointed.

The Board would be required to annually select a chairperson, vice chairperson, and secretary from its membership and would be required to meet at least quarterly in Shawnee County at a suitable location provided by the County.

A majority of the members of the Board would constitute a quorum and no action could be taken by the Board without a quorum present and a majority of members present voting in favor of the action.

Authority Powers and Duties

The Authority would distribute and spend the proceeds of the sales tax imposed pursuant to the Act. The proceeds of the first 0.2 percent sales tax would be distributed as follows:

- 22 percent to Shawnee County to be used for the benefit of Gage Park;
- 58 percent to the Topeka Zoo and directed to any nonprofit operator of the Topeka Zoo;

- 15 percent to the Kansas Children's Discovery Center and directed to any nonprofit operator of the Discovery Center; and
- 5 percent at the discretion of the Authority for the improvement, operation, and maintenance of Gage Park, the Topeka Zoo, and the Kansas Children's Discovery Center, community enrichment and outreach, children's educational programming, other items of public benefit and interest related to Gage Park, and the actual and necessary expenses of the members of the Authority in carrying out their duties.

The proceeds of any sales tax in excess of 0.2 percent would be used as determined by the Authority for the improvement, operation, and maintenance of Gage Park, the Topeka Zoo, and the Kansas Children's Discovery Center, community enrichment and outreach, children's educational programming, other items of public benefit and interest related to Gage Park, and the actual and necessary expenses of the members of the Authority in carrying out their duties.

The Authority would have the power to sue or be sued, to enter into contracts, to solicit and receive donations and grants, and to adopt bylaws consistent with the Act.

The Authority would have all other necessary and incidental functions and duties consistent with Kansas law to effectuate its purposes provided by the Act. The Authority would be subject to dissolution in the same manner as its creation.

Other Provisions

The bill would require Shawnee County to appropriate funds necessary to operate the Authority for the first 6 months following its creation, after which the Authority would be

required to be financed by the sales tax provided by the Act. The Authority would be required to keep accounts and records of its transactions that would be audited periodically as directed by Shawnee County. The Authority would be required to prepare an annual report on its operations and transactions to be submitted to the Topeka City Council and Shawnee County.

The bill would also define relevant terms for the implementation of the Act.

Background

The bill was introduced by the House Committee on Taxation at the request of Representative Patton.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Patton, a representative of the Kansas Children's Discovery Center, and a Shawnee County Commissioner. Proponents stated the bill would authorize the submission of a question to the voters of Shawnee County to use a new financing and governing mechanism for several Shawnee County amenities. Written-only proponent testimony was provided by representatives of Advisors Excel, the City of Topeka, Friends of the Topeka Zoo, Security Benefit, and Shawnee County Parks and Recreation and a Topeka City Council member.

No other testimony was provided.

The House Committee amended the bill to specify the procedure for reducing or repealing the sales tax provided by the bill and to make a technical amendment.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the bill would have no state fiscal effect.

Taxation; sales tax; local government; Gage Park Improvement Authority