



# COUNTY COMMISSION

Monday, April 8, 2019

5:00 PM Following Public Building Commission Meeting

Ellis County Administrative Center – Commission Room

## Order of Business

### I. Opening

- A. Call to Order
- B. Pledge of Allegiance
- C. Clerk Calls the Roll
- D. Order of Business  
Consideration of Amendments

### II. Prior Minutes

- March 29, 2019 Budget Meeting
- April 1, 2019
- April 3, 2019 Budget Meeting

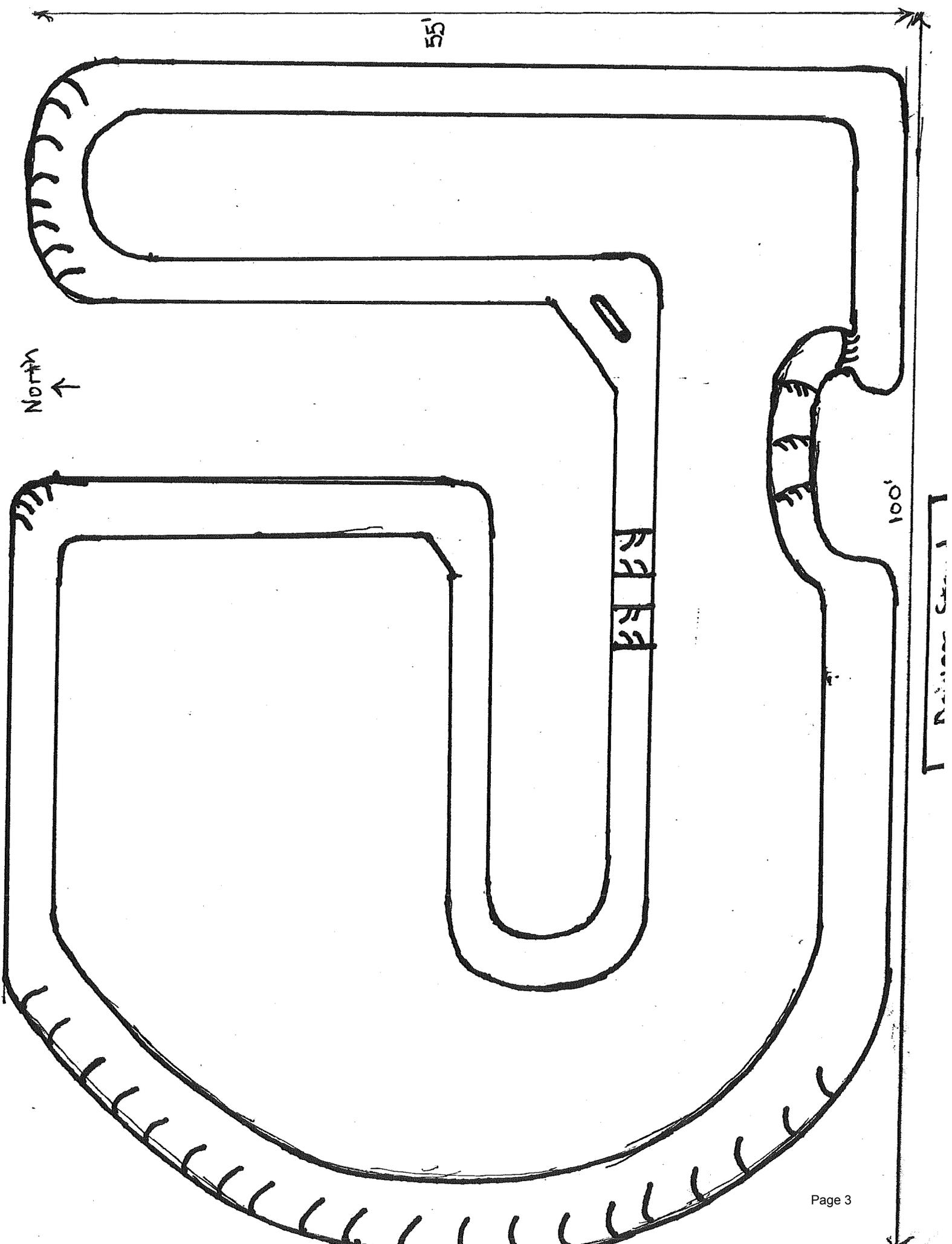
### III. Consent Agenda

- A. Approval of Refunding Warrants as presented
- B. Approval of Tax Roll Adjustments as presented
- C. Approval of Escape Tax Orders as presented
- D. Approval of Adds and Abates as presented
- E. Approval of Purchase Orders as presented
- F. Approval of Accounts Payable and Payroll as presented
- G. Approval of County Licenses as presented



- IV. Issues from Persons Not on the Order of Business
- V. Monthly Financial Report
- VI. Update on Water Supply (Hays Mayor Henry Schwaller IV and City Manager Toby Dougherty)
- VII. Remote-Controlled Vehicle Track at County Fairgrounds (Fair Board President Jill Pfannenstiel) [Enclosure](#)
- VIII. Valuation Update (County Appraiser Lisa Ree)
- IX. Options for Countywide Sales Tax (County Administrator Phillip Smith-Hanes) [Enclosure](#)
- X. County Counselor Reports (County Counselor Bill Jeter)
- XI. County Administrator Report (County Administrator Phillip Smith-Hanes)
- XII. County Commission Reports
- XIII. Executive Session(s)
- XIV. Adjournment





North  
↑

55'

100'

Rising Sun

**ELLIS COUNTY**  
**AGENDA ITEM COVER SHEET**  
**COMMISSION AGENDA DATE: 4-8-19**

**TOPIC:**

Options for Countywide Sales Tax

**ACTION REQUESTED:**

Provide direction to staff on desired next steps.

**MOTION NEEDED:**

Yes No

**SUGGESTED MOTION LANGUAGE:**

N/A

**DISCUSSION:**

One of the work plan directions that resulted from your Commission's February 20 retreat is that the County Administrator and County Counselor are to present you an informational report on a potential countywide sales tax during the month of April. Items to be covered by this report include: legal basis for sales tax, general vs. dedicated sales tax, options on ways sales tax proceeds could be used, sunset or time frame for tax, and options for dates/timing for an election.

*Legal Basis for Countywide Sales Tax*

The procedure for levying a retailers' sales tax in Kansas is set forth in K.S.A. 12-187 et seq. The process is initiated by the County Commissioners who would call for an election or on the petition of 10% of the number of electors who last voted for the office of Secretary of State. The sales tax election can be held by mail ballot, special election, or general election. The cost for an election would be paid by Ellis County.

Counties may levy a sales tax in 0.25% increments up to a maximum of 1.00%. Although there is specific legislation which authorizes named counties additional sales tax authority, none of that legislation applies to Ellis County. The rate is fixed by the Board of County Commissioners or by the electors if submitted in the form of a petition.

*General vs. Dedicated Sales Tax*

The distribution of the sales tax is apportioned pursuant to K.S.A. 12-192 among Ellis County and each city located in Ellis County, half on the basis of property tax levies and half on the basis of population (with only the population in the unincorporated area counting for the County). The State Department of Revenue updates the local distributions twice each year. As of January 2019, Ellis County's distribution is 49.12% to the City of Hays, 41.65% to the County, 5.75% to the City of Ellis, 3.06% to the City of Victoria, and 0.41% to the City of Schoenchen.

Unless there exists special legislation or as otherwise provided in K.S.A. 12-187(b)(5), the County Commission does not have the authority to direct all of the sales tax proceeds to the County. Some examples of purposes for which counties have sought special legislation to keep all of a sales tax include: jail or other facilities construction, roadway construction, landfill siting, economic development initiatives, recreation/conservation projects, and property tax relief.



The option as provided under K.S.A. 12-187(b)(5) is solely within the discretion of the County Commissioners and must be established for a defined health care service. If approved by the voters, said tax shall be retained in full by the County. Health care services include local health departments, mental health services, and emergency medical services, as well as other enumerated services not currently provided by Ellis County.

*Options on Use of Sales Tax Proceeds*

Counties may utilize sales tax proceeds to construct or improve public facilities. They also may be used for property tax reduction by reducing the tax levy, be transferred to the County road and bridge fund or for such other purposes as the voters may approve. As noted above, a sales tax specific to health care services could be imposed without apportionment to cities; a sales tax imposed for any other purpose (for example, roads) would need to be apportioned to cities unless special legislation is secured.

*Sunset or Time Frame for Tax*

There is no requirement in law for a sunset on a countywide general sales tax. Special sales taxes imposed by cities have a 10-year sunset and specific authorization statutes for additional countywide sales taxes sometimes contain sunset provisions. Otherwise, the governing time frame is whatever is included in the ballot question presented to voters.

*Options for Dates/Timing for Election*

The time frames for a special or general election are governed by K.S.A. 10-120 and the time frame for a mail ballot by K.S.A. 25-432. Subject to notification requirements, special or mail ballot elections can be held at any time.

Collection of sales tax begins the first day of the calendar quarter after Ellis County certifies the results to the State Department of Revenue. However, the department requires 90 days' notice so that the rate changes can be published 60 days prior to their effective date.

The least-expensive option for the County would be to hold a sales tax election in conjunction with a general election. The next general election would be in November of 2020, meaning the sales tax would go into effect on April 1, 2021. For a sales tax to be effective January 1, 2020, the County would have to call a special election to be held no later than mid-September of 2019.

**FINANCIAL IMPACT:**

There is no financial impact to receiving this report. Any election on a sales tax would be at County expense. Based on collections in 2017 (the last full year in which a countywide sales tax was imposed in Ellis County), a general countywide sales tax would be expected to generate \$630,000 to the County per quarter-percent levied.

**PRESENTED BY:**

Phillip Smith-Hanes, County Administrator

**REVIEWED BY COUNTY ADMINISTRATOR:**

Yes No N/A

**REVIEWED BY COUNTY COUNSELOR:**

Yes No N/A

**ATTACHMENTS:**

None.

