

HOUSE BILL No. 2006

By Representative Williams

1-4

1 AN ACT concerning the department of commerce; relating to **economic**
2 **development incentive program evaluations by legislative post**
3 **audit**; the disclosure of economic development incentive program data,
4 tax credit programs and certain property tax exemptions; required
5 database; amending K.S.A. 2018 Supp. 75-5133 and 79-3234 and
6 repealing the existing sections.

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

9 **New Section 1. (a) Under the authority of this section and the**
10 **legislative post audit act, and subject to appropriations therefor, the**
11 **legislative post audit committee shall direct the post auditor and the**
12 **division of post audit to conduct a systematic and comprehensive**
13 **review, analysis and evaluation, under the provisions of the legislative**
14 **post audit act, of each economic development incentive program as**
15 **identified by the legislative post audit committee pursuant to the**
16 **definition of economic development incentive program in section 2,**
17 **and amendments thereto.**

18 (b) The evaluations shall be considered within the meaning of the
19 term audit for purposes of the legislative post audit act and shall be
20 conducted by the post auditor and the division of legislative post audit
21 pursuant to a schedule developed by the legislative post audit
22 committee, such that all economic development incentive programs
23 shall be reviewed every ~~two~~ {three} years, and new economic
24 development incentive programs shall be reviewed the year after the
25 program commences, and then every ~~two~~ {three} years thereafter. The
26 timing and extent of the evaluations may be subject to adjustment by
27 the legislative post audit committee in a manner consistent with the
28 requirements of this section as necessary to conform with resources
29 available to the post auditor in consideration of the demands of other
30 duties under the legislative post audit act.

31 (c) In conducting such evaluations, the post auditor and the
32 division of post audit shall have access to all books, accounts, records,
33 files, documents and correspondence, confidential or otherwise, to the
34 same extent permitted under K.S.A. 46-1106(e), and amendments

1 thereto, and shall be subject to the same duty of confidentiality as
2 provided by the legislative post audit act.

3 (d) The evaluations shall include:

4 (1) A description of the economic development incentive
5 program;

6 (2) an assessment of the program's design and administration;

7 (3) an estimate of the economic and fiscal impact;

8 (4) a return on investment calculation for the economic
9 development incentive program. For purposes of this paragraph,
10 "return on investment calculation" means analyzing the cost to the
11 state or political subdivision for providing the economic development
12 incentive program and analyzing the benefits realized by the state or
13 political subdivision from providing the economic development
14 incentive program;

15 (5) other information as requested by the legislative post audit
16 committee; and

17 (6) all information, after redaction, as necessary, by the post
18 auditor to remove information confidential under state or federal law,
19 required for publication pursuant to section 3, and amendments
20 thereto, with respect to the program being evaluated.

21 (e) The post auditor shall prepare and submit a written report
22 with respect to each evaluation to the legislative post audit committee
23 as provided by the legislative post audit act and, in addition, shall
24 prepare and provide any redacted information, with respect to the
25 economic incentive program evaluated, required for publication by
26 the secretary of commerce pursuant to section 3, and amendments
27 thereto, to the secretary of commerce if such information is not
28 otherwise available to the secretary of commerce.

29 (f) This section shall be a part of and supplemental to the
30 legislative post audit act.

31 ~~New Section 1~~ Sec. 2. ~~(a) As used in this section sections 2 and 3,~~
32 ~~and amendments thereto:~~

33 ~~(1)(a)~~ "Administering agency" means the state agency or department
34 charged with administering a particular income tax credit program, as set
35 forth by the program's enacting statute or, where no department or agency
36 is set forth, the department of revenue.

37 ~~(2)(b)~~ "Economic development incentive program" means:

38 ~~(A)(1)~~ Any economic development incentive program administered
39 wholly or in part by the secretary of commerce;

40 ~~(B)(2)~~ any tax credit program, except for social and domestic tax
41 credits, regardless of the administering agency;

42 ~~(C)(3)~~ property that has been exempted from ad valorem taxation
43 under the provisions of section 13 of article 11 of the constitution of the

1 state of Kansas; ~~and~~

2 ~~(D)~~**(4)** property that has been purchased, acquired, constructed,
3 reconstructed, improved, equipped, furnished, repaired, enlarged or
4 remodeled with all or any part of the proceeds of revenue bonds issued
5 under the authority of K.S.A. 12-1740 through 12-1749a, and amendments
6 thereto, that is exempt from ad valorem taxation under K.S.A. 79-201a
7 *Second*, and amendments thereto; **and**

8 **(5) any economic development fund, including, but not limited to,**
9 **the job creation fund established by K.S.A. 74-50,224, and**
10 **amendments thereto.**

11 ~~(3)~~**(c)** "Enterprise" means a corporation, limited liability company, S
12 corporation, partnership, registered limited liability partnership,
13 foundation, association, nonprofit entity, sole proprietorship, business trust
14 or other entity engaged in business.

15 ~~(4)~~**(d)** "Recipient" means the enterprise that is the original applicant
16 for and that receives proceeds from an economic development incentive
17 program directly from the administering agency.

18 ~~(5)~~**(e)** "Social and domestic tax credits" means the adoption credit
19 created pursuant to K.S.A. 79-202a, and amendments thereto, the earned
20 income tax credit created pursuant to K.S.A. 2018 Supp. 79-32,205, and
21 amendments thereto, the food sales tax credit created pursuant to K.S.A.
22 2018 Supp. 79-32,271, and amendments thereto, the child and dependent
23 care tax credit created pursuant to K.S.A. 2018 Supp. 79-32,111c, and
24 amendments thereto, and the homestead property tax refund created
25 pursuant to K.S.A. 79-4501 et seq., and amendments thereto.

26 ~~(6)~~**(f)** "Tax credit program" means any credit allowed against the tax
27 imposed by the Kansas income tax act, the premium or privilege fees
28 imposed pursuant to K.S.A. 40-252, and amendments thereto, or the
29 privilege tax as measured by net income of financial institutions imposed
30 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
31 amendments thereto.

32 **New Sec. 3. (b)—(a)** The department of commerce shall collect
33 incentive data from economic development incentive programs that
34 provide more than \$50,000 of annual incentives from administering
35 agencies as required by this section. Such data shall be collected from
36 administering agencies and be stored in a database that is available to the
37 public in a digital format. The database shall contain information from
38 multiple years and must be searchable, printable and available to access
39 over the internet either on the department of commerce's website or via a
40 conspicuous link on the front page of the department's website.
41 Information included in the database shall be updated by the department of
42 commerce on an annual basis and such update shall be completed prior to
43 the end of the following fiscal year in which such incentive was earned or

1 distributed.

2 ~~(e)(b)~~ The database required to be created by subsection ~~(b)~~ **(a)** shall
3 contain the following information or shall contain a link by which the user
4 can access such information:

5 (1) User information for each economic development incentive
6 program, including the:

7 (A) Names and addresses, including county, of recipients receiving
8 benefits from the program and, for sales tax and revenue bonds issued
9 under the STAR bond financing act, K.S.A. 2018 Supp. 12-17,162 et seq.,
10 and amendments thereto, the names of principals and officers for each
11 project developer;

12 (B) annual amount of incentives claimed and distributed to each
13 recipient;

14 (C) qualification criteria for the economic development incentive
15 program, including, if available, qualification criteria specific to the
16 recipient. **Qualification criteria shall include, but not be limited to, any**
17 **requirements regarding the number of jobs created or the amount of**
18 **initial or annual capital improvement;**

19 ~~(D) required benchmarks for continued participation in the economic~~
20 ~~development incentive program; and~~

21 ~~(E)(D)~~ years for which the recipient has received benefits under the
22 economic development incentive program;

23 (2) descriptive information for each economic development program,
24 which shall include:

25 (A) A description and history of the program, including its inception
26 date;

27 (B) the purpose or goals of the program and the criteria for
28 qualification;

29 (C) applications for the program, if any, and relevant resources or
30 contacts;

31 (D) the program cost and return on investment, including
32 assumptions used to calculate the return on investment;

33 (E) the program compliance rate;

34 (F) annual reports, if required by statute; and

35 (G) evaluations of the program, if any; and

36 (3) annual data, which shall be organized by recipient, county and
37 program and shall include the:

38 (A) Total amount of annual incentives from a program claimed by a
39 recipient;

40 (B) total amount of incentives received by recipients in each county;
41 and

42 (C) total amount of incentives distributed by each program.

43 ~~(d)(c)~~ Data collected pursuant to this section must be aggregated and

1 provided by program, recipient and county.

2 ~~(e) Information required to be included in the database under~~
3 ~~subsection (e) shall not be disclosed if such disclosure would violate any~~
4 ~~federal law or confidentiality provisions of any agreement executed before~~
5 ~~July 1, 2019, or if, in the discretion of the secretary of commerce, such~~
6 ~~disclosure would be detrimental to the development of a STAR bond~~
7 ~~project.~~

8 **(d) Except as otherwise provided in this subsection, and**
9 **notwithstanding any information publication requirements listed in**
10 **this section, no information shall be disclosed by the secretary of**
11 **commerce under this section if such disclosure would:**

12 **(1) Violate any federal law;**

13 **(2) violate the confidentiality provisions of any agreement**
14 **executed before July 1, 2019;**

15 **(3) in the discretion of the secretary of commerce, be detrimental**
16 **to the development of a STAR bond project or jeopardize an economic**
17 **development incentive program or project; or**

18 **(4) disclose the names or other personally identifying information**
19 **of individuals who have made contributions or investments pursuant**
20 **to the provisions of an economic development incentive program for**
21 **the purpose of receiving a tax credit.**

22 **Information that is otherwise publicly available shall not be**
23 **considered confidential and shall be subject to publication as provided**
24 **in this section.**

25 ~~Sec. 2.~~ **4.** K.S.A. 2018 Supp. 75-5133 is hereby amended to read as
26 follows: 75-5133. (a) Except as otherwise more specifically provided by
27 law, all information received by the secretary of revenue, the director of
28 taxation or the director of alcoholic beverage control from returns, reports,
29 license applications or registration documents made or filed under the
30 provisions of any law imposing any sales, use or other excise tax
31 administered by the secretary of revenue, the director of taxation, or the
32 director of alcoholic beverage control, or from any investigation conducted
33 under such provisions, shall be confidential, and it shall be unlawful for
34 any officer or employee of the department of revenue to divulge any such
35 information except in accordance with other provisions of law respecting
36 the enforcement and collection of such tax, in accordance with proper
37 judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

38 (b) The secretary of revenue or the secretary's designee may:

39 (1) Publish statistics, so classified as to prevent identification of
40 particular reports or returns and the items thereof;

41 (2) allow the inspection of returns by the attorney general or the
42 attorney general's designee;

43 (3) provide the post auditor access to all such excise tax reports or

1 returns in accordance with and subject to the provisions of K.S.A. 46-
2 1106(g), and amendments thereto;

3 (4) disclose taxpayer information from excise tax returns to persons
4 or entities contracting with the secretary of revenue where the secretary
5 has determined disclosure of such information is essential for completion
6 of the contract and has taken appropriate steps to preserve confidentiality;

7 (5) provide information from returns and reports filed under article 42
8 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,
9 to county appraisers as is necessary to ensure proper valuations of
10 property. Information from such returns and reports may also be
11 exchanged with any other state agency administering and collecting
12 conservation or other taxes and fees imposed on or measured by mineral
13 production;

14 (6) provide, upon request by a city or county clerk or treasurer or
15 finance officer of any city or county receiving distributions from a local
16 excise tax, monthly reports identifying each retailer doing business in such
17 city or county or making taxable sales sourced to such city or county,
18 setting forth the tax liability and the amount of such tax remitted by each
19 retailer during the preceding month, and identifying each business location
20 maintained by the retailer and such retailer's sales or use tax registration or
21 account number;

22 (7) provide information from returns and applications for registration
23 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-
24 3601, and amendments thereto, to a city or county treasurer or clerk or
25 finance officer to explain the basis of statistics contained in reports
26 provided by subsection (b)(6);

27 (8) disclose the following oil and gas production statistics received by
28 the department of revenue in accordance with K.S.A. 79-4216 et seq., and
29 amendments thereto: Volumes of production by well name, well number,
30 operator's name and identification number assigned by the state
31 corporation commission, lease name, leasehold property description,
32 county of production or zone of production, name of purchaser and
33 purchaser's tax identification number assigned by the department of
34 revenue, name of transporter, field code number or lease code, tax period,
35 exempt production volumes by well name or lease, or any combination of
36 this information;

37 (9) release or publish liquor brand registration information provided
38 by suppliers, farm wineries, microdistilleries and microbreweries in
39 accordance with the liquor control act. The information to be released is
40 limited to: Item number, universal numeric code, type status, product
41 description, alcohol percentage, selling units, unit size, unit of
42 measurement, supplier number, supplier name, distributor number and
43 distributor name;

1 (10) release or publish liquor license information provided by liquor
2 licensees, distributors, suppliers, farm wineries, microdistilleries and
3 microbreweries in accordance with the liquor control act. The information
4 to be released is limited to: County name, owner, business name, address,
5 license type, license number, license expiration date and the process agent
6 contact information;

7 (11) release or publish cigarette and tobacco license information
8 obtained from cigarette and tobacco licensees in accordance with the
9 Kansas cigarette and tobacco products act. The information to be released
10 is limited to: County name, owner, business name, address, license type
11 and license number;

12 (12) provide environmental surcharge or solvent fee, or both,
13 information from returns and applications for registration filed pursuant to
14 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secretary
15 of health and environment or the secretary's designee for the sole purpose
16 of ensuring that retailers collect the environmental surcharge tax or solvent
17 fee, or both;

18 (13) provide water protection fee information from returns and
19 applications for registration filed pursuant to K.S.A. 82a-954, and
20 amendments thereto, to the secretary of the state board of agriculture or the
21 secretary's designee and the secretary of the Kansas water office or the
22 secretary's designee for the sole purpose of verifying revenues deposited to
23 the state water plan fund;

24 (14) provide to the secretary of commerce copies of applications for
25 project exemption certificates sought by any taxpayer under the enterprise
26 zone sales tax exemption pursuant to K.S.A. 79-3606(cc), and
27 amendments thereto;

28 (15) disclose information received pursuant to the Kansas cigarette
29 and tobacco act and subject to the confidentiality provisions of this act to
30 any criminal justice agency, as defined in K.S.A. 22-4701(c), and
31 amendments thereto, or to any law enforcement officer, as defined in
32 K.S.A. 2018 Supp. 21-5111, and amendments thereto, on behalf of a
33 criminal justice agency, when requested in writing in conjunction with a
34 pending investigation;

35 (16) provide to retailers tax exemption information for the sole
36 purpose of verifying the authenticity of tax exemption numbers issued by
37 the department;

38 (17) provide information concerning remittance by sellers, as defined
39 in K.S.A. 2018 Supp. 12-5363, and amendments thereto, of prepaid
40 wireless 911 fees from returns to the local collection point administrator,
41 as defined in K.S.A. 2018 Supp. 12-5363, and amendments thereto, for
42 purposes of verifying seller compliance with collection and remittance of
43 such fees;

1 (18) release or publish charitable gaming information obtained in
2 charitable gaming licensee and registration applications and renewals in
3 accordance with the Kansas charitable gaming act, K.S.A. 2018 Supp. 75-
4 5171 et seq., and amendments thereto. The information to be released is
5 limited to: The name, address, phone number, license registration number
6 and email address of the organization, distributor or of premises; ~~and~~

7 (19) provide to the attorney general confidential information for
8 purposes of determining compliance with or enforcing K.S.A. 50-6a01 et
9 seq., and amendments thereto, the master settlement agreement referred to
10 therein and all agreements regarding disputes under the master settlement
11 agreement. The secretary and the attorney general may share the
12 information specified under this subsection with any of the following:

13 (A) Federal, state or local agencies for the purposes of enforcement
14 of corresponding laws of other states; and

15 (B) a court, arbitrator, data clearinghouse or similar entity for the
16 purpose of assessing compliance with or making calculations required by
17 the master settlement agreement or agreements regarding disputes under
18 the master settlement agreement, and with counsel for the parties or expert
19 witnesses in any such proceeding, if the information otherwise remains
20 confidential; *and*

21 (20) *disclose taxpayer information that is received from income tax*
22 *returns to the department of commerce **that may be disclosed pursuant***
23 *to the provisions of section 3, and amendments thereto, for the purpose*
24 *of including such information in the database required by section ~~13~~, and*
25 *amendments thereto.*

26 (c) Any person receiving any information under the provisions of
27 subsection (b) shall be subject to the confidentiality provisions of
28 subsection (a) and to the penalty provisions of subsection (d).

29 (d) Any violation of this section shall be a class A, nonperson
30 misdemeanor, and if the offender is an officer or employee of this state,
31 such officer or employee shall be dismissed from office. Reports of
32 violations of this paragraph shall be investigated by the attorney general.
33 The district attorney or county attorney and the attorney general shall have
34 authority to prosecute any violation of this section if the offender is a city
35 or county clerk or treasurer or finance officer of a city or county.

36 ~~Sec. 3.~~ **5.** K.S.A. 2018 Supp. 79-3234 is hereby amended to read as
37 follows: 79-3234. (a) All reports and returns required by this act shall be
38 preserved for three years and thereafter until the director orders them to be
39 destroyed.

40 (b) Except in accordance with proper judicial order, or as provided in
41 subsection (c) or in K.S.A. 17-7511, ~~subsection (g) of K.S.A. 46-1106(g),~~
42 ~~K.S.A. 46-1114, or K.S.A. 79-32,153a,~~ and amendments thereto, it shall be
43 unlawful for the secretary, the director, any deputy, agent, clerk or other

1 officer, employee or former employee of the department of revenue or any
2 other state officer or employee or former state officer or employee to
3 divulge, or to make known in any way, the amount of income or any
4 particulars set forth or disclosed in any report, return, federal return or
5 federal return information required under this act; and it shall be unlawful
6 for the secretary, the director, any deputy, agent, clerk or other officer or
7 employee engaged in the administration of this act to engage in the
8 business or profession of tax accounting or to accept employment, with or
9 without consideration, from any person, firm or corporation for the
10 purpose, directly or indirectly, of preparing tax returns or reports required
11 by the laws of the state of Kansas, by any other state or by the United
12 States government, or to accept any employment for the purpose of
13 advising, preparing material or data, or the auditing of books or records to
14 be used in an effort to defeat or cancel any tax or part thereof that has been
15 assessed by the state of Kansas, any other state or by the United States
16 government.

17 (c) The secretary or the secretary's designee may: (1) Publish
18 statistics, so classified as to prevent the identification of particular reports
19 or returns and the items thereof;

20 (2) allow the inspection of returns by the attorney general or other
21 legal representatives of the state;

22 (3) provide the post auditor access to all income tax reports or returns
23 in accordance with and subject to the provisions of ~~subsection (g) of~~
24 K.S.A. 46-1106(g) or ~~K.S.A.~~ 46-1114, and amendments thereto;

25 (4) disclose taxpayer information from income tax returns to persons
26 or entities contracting with the secretary of revenue where the secretary
27 has determined disclosure of such information is essential for completion
28 of the contract and has taken appropriate steps to preserve confidentiality;

29 (5) disclose to the secretary of commerce the following: (A) Specific
30 taxpayer information related to financial information previously submitted
31 by the taxpayer to the secretary of commerce concerning or relevant to any
32 income tax credits, for purposes of verification of such information or
33 evaluating the effectiveness of any tax credit or economic incentive
34 program administered by the secretary of commerce; (B) the amount of
35 payroll withholding taxes an employer is retaining pursuant to K.S.A. 74-
36 50,212, and amendments thereto; (C) information received from
37 businesses completing the form required by K.S.A. 74-50,217, and
38 amendments thereto; and (D) findings related to a compliance audit
39 conducted by the department of revenue upon the request of the secretary
40 of commerce pursuant to K.S.A. 74-50,215, and amendments thereto;

41 (6) disclose income tax returns to the state gaming agency to be used
42 solely for the purpose of determining qualifications of licensees of and
43 applicants for licensure in tribal gaming. Any information received by the

1 state gaming agency shall be confidential and shall not be disclosed except
2 to the executive director, employees of the state gaming agency and
3 members and employees of the tribal gaming commission;

4 (7) disclose the taxpayer's name, last known address and residency
5 status to the Kansas department of wildlife, parks and tourism to be used
6 solely in its license fraud investigations;

7 (8) disclose the name, residence address, employer or Kansas
8 adjusted gross income of a taxpayer who may have a duty of support in a
9 title IV-D case to the secretary of the Kansas department for children and
10 families for use solely in administrative or judicial proceedings to
11 establish, modify or enforce such support obligation in a title IV-D case. In
12 addition to any other limits on use, such use shall be allowed only where
13 subject to a protective order which prohibits disclosure outside of the title
14 IV-D proceeding. As used in this section, "title IV-D case" means a case
15 being administered pursuant to part D of title IV of the federal social
16 security act, 42 U.S.C. § 651 et seq., and amendments thereto. Any person
17 receiving any information under the provisions of this subsection shall be
18 subject to the confidentiality provisions of subsection (b) and to the
19 penalty provisions of subsection (e);

20 (9) permit the commissioner of internal revenue of the United States,
21 or the proper official of any state imposing an income tax, or the
22 authorized representative of either, to inspect the income tax returns made
23 under this act and the secretary of revenue may make available or furnish
24 to the taxing officials of any other state or the commissioner of internal
25 revenue of the United States or other taxing officials of the federal
26 government, or their authorized representatives, information contained in
27 income tax reports or returns or any audit thereof or the report of any
28 investigation made with respect thereto, filed pursuant to the income tax
29 laws, as the secretary may consider proper, but such information shall not
30 be used for any other purpose than that of the administration of tax laws of
31 such state, the state of Kansas or of the United States;

32 (10) communicate to the executive director of the Kansas lottery
33 information as to whether a person, partnership or corporation is current in
34 the filing of all applicable tax returns and in the payment of all taxes,
35 interest and penalties to the state of Kansas, excluding items under formal
36 appeal, for the purpose of determining whether such person, partnership or
37 corporation is eligible to be selected as a lottery retailer;

38 (11) communicate to the executive director of the Kansas racing
39 commission as to whether a person, partnership or corporation has failed
40 to meet any tax obligation to the state of Kansas for the purpose of
41 determining whether such person, partnership or corporation is eligible for
42 a facility owner license or facility manager license pursuant to the Kansas
43 parimutuel racing act;

1 (12) provide such information to the executive director of the Kansas
2 public employees retirement system for the purpose of determining that
3 certain individuals' reported compensation is in compliance with the
4 Kansas public employees retirement act, K.S.A. 74-4901 et seq., and
5 amendments thereto;

6 (13) ~~(i)~~(A) provide taxpayer information of persons suspected of
7 violating K.S.A. 2018 Supp. 44-766, and amendments thereto, to the
8 secretary of labor or such secretary's designee for the purpose of
9 determining compliance by any person with the provisions of ~~subsection~~
10 ~~(i)(3)(D)~~ of K.S.A. 44-703(i)(3)(D) and K.S.A. 2018 Supp. 44-766, and
11 amendments thereto. The information to be provided shall include all
12 relevant information in the possession of the department of revenue
13 necessary for the secretary of labor to make a proper determination of
14 compliance with the provisions of ~~subsection (i)(3)(D)~~ of K.S.A. 44-703(i)
15 (3)(D) and K.S.A. 2018 Supp. 44-766, and amendments thereto, and to
16 calculate any unemployment contribution taxes due. Such information to
17 be provided by the department of revenue shall include, but not be limited
18 to, withholding tax and payroll information, the identity of any person that
19 has been or is currently being audited or investigated in connection with
20 the administration and enforcement of the withholding and declaration of
21 estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto, and the
22 results or status of such audit or investigation;

23 ~~(ii)~~(B) any person receiving tax information under the provisions of
24 this paragraph shall be subject to the same duty of confidentiality imposed
25 by law upon the personnel of the department of revenue and shall be
26 subject to any civil or criminal penalties imposed by law for violations of
27 such duty of confidentiality; and

28 ~~(iii)~~(C) each of the secretary of labor and the secretary of revenue
29 may adopt rules and regulations necessary to effect the provisions of this
30 paragraph;

31 (14) provide such information to the state treasurer for the sole
32 purpose of carrying out the provisions of K.S.A. 58-3934, and
33 amendments thereto. Such information shall be limited to current and prior
34 addresses of taxpayers or associated persons who may have knowledge as
35 to the location of an owner of unclaimed property. For the purposes of this
36 paragraph, "associated persons" includes spouses or dependents listed on
37 income tax returns; ~~and~~

38 (15) after receipt of information pursuant to subsection (f), forward
39 such information and provide the following reported Kansas individual
40 income tax information for each listed defendant, if available, to the state
41 board of indigents' defense services in an electronic format and in the
42 manner determined by the secretary: (A) The defendant's name; (B) social
43 security number; (C) Kansas adjusted gross income; (D) number of

1 exemptions claimed; and (E) the relevant tax year of such records. Any
2 social security number provided to the secretary and the state board of
3 indigents' defense services pursuant to this section shall remain
4 confidential; and

5 *(16) disclose taxpayer information that is received from income tax*
6 *returns to the department of commerce **that may be disclosed pursuant***
7 ***to the provisions of section 3, and amendments thereto, for the purpose***
8 *of including such information in the database required by section ~~3~~, and*
9 *amendments thereto.*

10 (d) Any person receiving information under the provisions of
11 subsection (c) shall be subject to the confidentiality provisions of
12 subsection (b) and to the penalty provisions of subsection (e).

13 (e) Any violation of subsection (b) or (c) is a class A nonperson
14 misdemeanor and, if the offender is an officer or employee of the state,
15 such officer or employee shall be dismissed from office.

16 (f) For the purpose of determining whether a defendant is financially
17 able to employ legal counsel under the provisions of K.S.A. 22-4504, and
18 amendments thereto, in all felony cases with appointed counsel where the
19 defendant's social security number is accessible from the records of the
20 district court, the court shall electronically provide the defendant's name,
21 social security number, district court case number and county to the
22 secretary of revenue in the manner and format agreed to by the office of
23 judicial administration and the secretary.

24 (g) Nothing in this section shall be construed to allow disclosure of
25 the amount of income or any particulars set forth or disclosed in any
26 report, return, federal return or federal return information, where such
27 disclosure is prohibited by the federal internal revenue code as in effect on
28 September 1, 1996, and amendments thereto, related federal internal
29 revenue rules or regulations, or other federal law.

30 ~~Sec.-4.~~ **6.** K.S.A. 2018 Supp. 75-5133 and 79-3234 are hereby
31 repealed.

32 ~~Sec.-5.~~ **7.** This act shall take effect and be in force from and after its
33 publication in the statute book.