As Amended by House Committee

Session of 2025

HOUSE BILL No. 2011

By Committee on Taxation

Requested by Representative A. Smith

1-15

AN ACT concerning taxation; relating to property tax; decreasing the rate of ad valorem tax imposed by a school district; **increasing the extent of exemption for residential property from the statewide school levy; providing for certain transfers to the state school district finance fund;** amending K.S.A. 2024 Supp. **72-5133a,** 72-5142 **and 79-201x** and repealing the existing ~~section~~ **sections**.

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

Section 1. K.S.A. 2024 Supp. 72-5133a is hereby amended to read as follows: 72-5133a. *(a)* **On August 15, 2024, and each August 15 thereafter, the director of the budget, in consultation with the director of property valuation, shall certify to the director of accounts and reports if the***:*

(1) **Exemption provided by K.S.A. 79-201x, and amendments thereto, is increased from $42,049 for any tax year***; or*

*(2) rate of ad valorem tax levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, is decreased from 20 mills***.**

(b) (1) **The director of the budget shall certify to the director of accounts and reports and shall transfer a copy of such certification to the director of legislative research the amount of revenue that the***:*

(A) **Increase in the exemption provided by K.S.A. 79-201x, and amendments thereto, would have generated for the tax year if the exemption amount was $42,049***; and*

*(B) decrease in the rate of ad valorem tax levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, would have generated for the tax year if the tax rate levied would have been 20 mills***.**

(2) **Upon receipt of such certification, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer such certified amount from the state general fund to the state school district finance fund of the department of education.**

~~Section 1.~~ **Sec. 2.** K.S.A. 2024 Supp. 72-5142 is hereby amended to read as follows: 72-5142. (a) The board of education of each school district shall levy an ad valorem tax upon the taxable tangible property of the school district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the school district's general fund budget that is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment school district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.

(b) The tax required under subsection (a) shall be levied at a rate of ~~20~~*:*

(1) 18.5 mills in the school ~~years 2023-2024 and 2024-2025~~ *year 2025-2026; and*

(2) for the school year 2026-2027, and all school years thereafter, the rate of tax to be levied shall equal the tax rate for the current school year that would generate the same property tax revenue as levied for the 2025-2026 school year using the current tax year's total assessed valuation. The director of property valuation shall calculate the tax rate for this annual adjustment.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose described in subsection (a)(3), shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

Sec. 3. K.S.A. 2024 Supp. 79-201x is hereby amended to read as follows: 79-201x. For taxable year ~~2024~~ *2026***, and all taxable years thereafter, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-5142, and amendments thereto: Property used for residential purposes to the extent of** ~~$75,000~~ *$100,000* **of its appraised valuation.**

Sec. ~~2.~~ **4.** K.S.A. 2024 Supp. **72-5133a,** 72-5142 ~~is~~ **and 79-201x are** hereby repealed.

Sec. ~~3.~~ **5.** This act shall take effect and be in force from and after its publication in the statute book.