

HOUSE BILL No. 2006

By Select Committee on School Finance

6-22

9 AN ACT relating to schools; relating to local option budgets and mill
10 levies for schools; amending K.S.A. 72-6433, as amended by section
11 17 of 2005 Senate Bill No. 43 and K.S.A. 2004 Supp. 72-6431, as
12 amended by section 22 of 2005 House Bill No. 2247 and repealing the
13 existing sections.

14

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

16 Section 1. K.S.A. 2004 Supp. 72-6431, as amended by section 22 of
17 2005 House Bill No. 2247, is hereby amended to read as follows: 72-6431.

18 (a) The board of each district shall levy an ad valorem tax upon the taxable
19 tangible property of the district in the school years specified in subsection
20 (b) for the purpose of:

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

23 (2) paying a portion of the costs of operating and maintaining public
24 schools in partial fulfillment of the constitutional obligation of the legis-
25 lature to finance the educational interests of the state; and

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

31 (b) The tax required under subsection (a) shall be levied at a rate of
32 ~~20~~ 25 mills in the school year 2005-2006 and school year 2006-2007.

33 (c) The proceeds from the tax levied by a district under authority of
34 this section, except the proceeds of such tax levied for the purpose of
35 paying a portion of the principal and interest on bonds issued by cities
36 under authority of K.S.A. 12-1774, and amendments thereto, for the fi-
37 nancing of redevelopment projects upon property located within the dis-
38 trict, shall be deposited in the general fund of the district.

39 (d) On June 6 of each year, the amount, if any, by which a district's
40 local effort exceeds the amount of the district's state financial aid, as
41 determined by the state board, shall be remitted to the state treasurer.
42 Upon receipt of any such remittance, the state treasurer shall deposit the
43 same in the state treasury to the credit of the state school district finance

1 fund.

2 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
3 1964b, and amendments thereto.

4 Sec. 2. K.S.A. 72-6433, as amended by section 17 of 2005 Senate Bill
5 No. 43, is hereby amended to read as follows: 72-6433. (a) (1) The board
6 of any district may adopt a local option budget in each school year in an
7 amount not to exceed an amount equal to the district prescribed per-
8 centage of the amount of state financial aid determined for the district in
9 the school year. As used in this section, "district prescribed percentage"
10 means:

11 (A) For any district that was authorized to adopt and that adopted a
12 local option budget in the 1996-97 school year and to which the provisions
13 of K.S.A. 72-6444, and amendments thereto, do not apply in the current
14 school year, in the 2001-02 school year and in each school year thereafter,
15 a percentage that is equal to 80% of the percentage specified in the res-
16 olution under which the district was authorized to adopt a local option
17 budget in the 1996-97 school year;

18 (B) for any district that was authorized to adopt and that adopted a
19 local option budget in the 1996-97 school year and to which the provisions
20 of K.S.A. 72-6444, and amendments thereto, apply in the current school
21 year, a percentage in the 2001-02 school year and each school year there-
22 after that is equal to the sum of the percentage of the amount of state
23 financial aid the district was authorized to budget in the preceding school
24 year and the percentage computed for the district by the state board
25 under the provisions of K.S.A. 72-6444, and amendments thereto;

26 (C) for any district that was not authorized to adopt a local option
27 budget in the 1996-97 school year and to which the provisions of K.S.A.
28 72-6444, and amendments thereto, apply in the current school year, a
29 percentage in the 2001-02 school year and each school year thereafter
30 that is equal to the sum of the percentage of the amount of state financial
31 aid the district was authorized to budget in the preceding school year and
32 the percentage computed for the district by the state board under the
33 provisions of K.S.A. 72-6444, and amendments thereto;

34 (D) for any district to which the provisions of K.S.A. 72-6444, and
35 amendments thereto, applied in the 1997-98 school year and to which
36 the provisions of K.S.A. 72-6444, and amendments thereto, do not apply
37 in the current school year because an increase in the amount budgeted
38 by the district in its local option budget as authorized by a resolution
39 adopted under the provisions of subsection (b) causes the actual amount
40 per pupil budgeted by the district in the preceding school year as deter-
41 mined for the district under provision (1) of subsection (a) of K.S.A. 72-
42 6444, and amendments thereto, to equal or exceed the average amount
43 per pupil of general fund budgets and local option budgets computed by

1 the state board under whichever of the provisions (7) through (10) of
 2 subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable
 3 to the district's enrollment group, a percentage that is equal to the per-
 4 centage of the amount of state financial aid the district was authorized to
 5 budget in the preceding school year if the resolution authorized the dis-
 6 trict to increase its local option budget on a continuous and permanent
 7 basis. If the resolution that authorized the district to increase its local
 8 option budget specified a definite period of time for which the district
 9 would retain its authority to increase the local option budget and such
 10 authority lapses at the conclusion of such period and is not renewed, the
 11 term district prescribed percentage means a percentage that is equal to
 12 the percentage of the amount of state financial aid the district was au-
 13 thorized to budget in the preceding school year less the percentage of
 14 increase that was authorized by the resolution unless the loss of the per-
 15 centage of increase that was authorized by the resolution would cause the
 16 actual amount per pupil budgeted by the district to be less than the av-
 17 erage amount per pupil of general fund budgets and local option budgets
 18 computed by the state board under whichever of the provisions (7)
 19 through (10) of subsection (a) of K.S.A. 72-6444, and amendments
 20 thereto, is applicable to the district's enrollment group, in which case, the
 21 term district prescribed percentage means a percentage that is equal to
 22 the percentage of the amount of state financial aid the district was au-
 23 thorized to budget in the preceding school year less the percentage of
 24 increase that was authorized by the resolution plus a percentage which
 25 shall be computed for the district by the state board in accordance with
 26 the provisions of K.S.A. 72-6444, and amendments thereto, except that,
 27 in making the determination of the actual amount per pupil budgeted by
 28 the district in the preceding school year, the state board shall exclude the
 29 percentage of increase that was authorized by the resolution.

30 (2) (A) Subject to the provisions of subpart (B), the adoption of a
 31 local option budget under authority of this subsection shall require a
 32 majority vote of the members of the board and shall require no other
 33 procedure, authorization or approval.

34 (B) In lieu of utilizing the authority granted by subpart (A) for adop-
 35 tion of a local option budget, the board of a district may pass a resolution
 36 authorizing adoption of such a budget and publish such resolution once
 37 in a newspaper having general circulation in the district. The resolution
 38 shall be published in substantial compliance with the following form:

39 Unified School District No. _____,
 40 _____ County, Kansas.

41 RESOLUTION

42 Be It Resolved that:

43 The board of education of the above-named school district shall be authorized to adopt

1 a local option budget in each school year for a period of time not to exceed _____ years
 2 in an amount not to exceed _____% of the amount of state financial aid determined for
 3 the current school year. The local option budget authorized by this resolution may be
 4 adopted, unless a petition in opposition to the same, signed by not less than 5% of the
 5 qualified electors of the school district, is filed with the county election officer of the home
 6 county of the school district within 30 days after publication of this resolution. In the event
 7 a petition is filed, the county election officer shall submit the question of whether adoption
 8 of the local option budget shall be authorized to the electors of the school district at an
 9 election called for the purpose or at the next general election, as is specified by the board
 10 of education of the school district.

11 CERTIFICATE

12 This is to certify that the above resolution was duly adopted by the board of education of
 13 Unified School District No. _____, _____ County, Kansas, on the _____ day of
 14 _____, ____.

15 _____
 16 Clerk of the board of education.

17 All of the blanks in the resolution shall be appropriately filled. The
 18 blank preceding the word “years” shall be filled with a specific number,
 19 and the blank preceding the percentage symbol shall be filled with a
 20 specific number. No word shall be inserted in either of the blanks. The
 21 percentage specified in the resolution shall not exceed the district pre-
 22 scribed percentage. The resolution shall be published once in a news-
 23 paper having general circulation in the school district. If no petition as
 24 specified above is filed in accordance with the provisions of the resolution,
 25 the board may adopt a local option budget. If a petition is filed as provided
 26 in the resolution, the board may notify the county election officer of the
 27 date of an election to be held to submit the question of whether adoption
 28 of a local option budget shall be authorized. If the board fails to notify
 29 the county election officer within 30 days after a petition is filed, the
 30 resolution shall be deemed abandoned and no like resolution shall be
 31 adopted by the board within the nine months following publication of the
 32 resolution. If any district is authorized to adopt a local option budget
 33 under this subpart, but the board of such district chooses, in any school
 34 year, not to adopt such a budget or chooses, in any school year, to adopt
 35 such budget in an amount less than the amount of the district prescribed
 36 percentage of the amount of state financial aid in any school year, such
 37 board of education may so choose. If the board of any district refrains
 38 from adopting a local option budget in any one or more school years or
 39 refrains from budgeting the total amount authorized for any one or more
 40 school years, the authority of such district to adopt a local option budget
 41 shall not be extended by such refrainment beyond the period specified
 42 in the resolution authorizing adoption of such budget, nor shall the
 43 amount authorized to be budgeted in any succeeding school year be in-

1 creased by such refrainment. Whenever an initial resolution has been
2 adopted under this subpart, and such resolution specified a lesser per-
3 centage than the district prescribed percentage, the board of the district
4 may adopt one or more subsequent resolutions under the same procedure
5 as provided for the initial resolution and subject to the same conditions,
6 and shall be authorized to increase the percentage as specified in any
7 such subsequent resolution for the remainder of the period of time spec-
8 ified in the initial resolution. Any percentage specified in a subsequent
9 resolution or in subsequent resolutions shall be limited so that the sum
10 of the percentage authorized in the initial resolution and the percentage
11 authorized in the subsequent resolution or in subsequent resolutions is
12 not in excess of the district prescribed percentage in any school year. The
13 board of any district that has been authorized to adopt a local option
14 budget under this subpart and levied a tax under authority of K.S.A. 72-
15 6435, and amendments thereto, may initiate, at any time after the final
16 levy is certified to the county clerk under any current authorization, pro-
17 cedures to renew its authority to adopt a local option budget in the man-
18 ner specified in this subpart or may utilize the authority granted by sub-
19 part (A). As used in this subpart, the term “authorized to adopt a local
20 option budget” means that a district has adopted a resolution under this
21 subpart, has published the same, and either that the resolution was not
22 protested or that it was protested and an election was held by which the
23 adoption of a local option budget was approved.

24 (3) The provisions of this subsection are subject to the provisions of
25 subsections (b) and (c).

26 (b) The provisions of this subsection (b) shall be subject to the pro-
27 visions of K.S.A. 72-6433a, and amendments thereto.

28 (1) The board of any district that adopts a local option budget under
29 subsection (a) may increase the amount of such budget in each school
30 year in an amount which together with the percentage of the amount of
31 state financial aid budgeted under subsection (a) does not exceed the state
32 prescribed percentage of the amount of state financial aid determined for
33 the district in the school year if the board of the district determines that
34 an increase in such budget would be in the best interests of the district.

35 (2) No district may increase a local option budget under authority of
36 this subsection until: (A) A resolution authorizing such an increase is
37 passed by the board and published once in a newspaper having general
38 circulation in the district; or (B) the question of whether the board shall
39 be authorized to increase the local option budget has been submitted to
40 and approved by the qualified electors of the district at a special election
41 called for the purpose. Any such election shall be noticed, called and held
42 in the manner provided by K.S.A. 10-120, and amendments thereto, for
43 the noticing, calling and holding of elections upon the question of issuing

1 bonds under the general bond law. The notice of such election shall state
2 the purpose for and time of the election, and the ballot shall be designed
3 with the question of whether the board of education of the district shall
4 be continuously and permanently authorized to increase the local option
5 budget of the district in each school year by a percentage which together
6 with the percentage of the amount of state financial aid budgeted under
7 subsection (a) does not exceed the state prescribed percentage in any
8 school year. If a majority of the qualified electors voting at the election
9 approve authorization of the board to increase the local option budget,
10 the board shall have such authority. If a majority of the qualified electors
11 voting at the election are opposed to authorization of the board to increase
12 the local option budget, the board shall not have such authority and no
13 like question shall be submitted to the qualified electors of the district
14 within the nine months following the election.

15 (3) (A) Subject to the provisions of subpart (B), a resolution author-
16 izing an increase in the local option budget of a district shall state that
17 the board of education of the district shall be authorized to increase the
18 local option budget of the district in each school year in an amount not
19 to exceed ____% of the amount of state financial aid determined for the
20 current school year and that the percentage of increase may be reduced
21 so that the sum of the percentage of the amount of state financial aid
22 budgeted under subsection (a) and the percentage of increase specified
23 in the resolution does not exceed the state prescribed percentage in any
24 school year. The blank preceding the percentage symbol shall be filled
25 with a specific number. No word shall be inserted in the blank. The
26 resolution shall specify a definite period of time for which the board shall
27 be authorized to increase the local option budget and such period of time
28 shall be expressed by the specific number of school years for which the
29 board shall retain its authority to increase the local option budget. No
30 word shall be used to express the number of years for which the board
31 shall be authorized to increase the local option budget.

32 (B) In lieu of the requirements of subpart (A) and at the discretion
33 of the board, a resolution authorizing an increase in the local option
34 budget of a district may state that the board of education of the district
35 shall be continuously and permanently authorized to increase the local
36 option budget of the district in each school year by a percentage which
37 together with the percentage of the amount of state financial aid budgeted
38 under subsection (a) does not exceed the state prescribed percentage in
39 any school year.

40 (4) A resolution authorizing an increase in the local option budget of
41 a district shall state that the amount of the local option budget may be
42 increased as authorized by the resolution unless a petition in opposition
43 to such increase, signed by not less than 5% of the qualified electors of

1 the school district, is filed with the county election officer of the home
2 county of the school district within 30 days after publication. If no petition
3 is filed in accordance with the provisions of the resolution, the board is
4 authorized to increase the local option budget of the district. If a petition
5 is filed as provided in the resolution, the board may notify the county
6 election officer of the date of an election to be held to submit the question
7 of whether the board shall be authorized to increase the local option
8 budget of the district. If the board fails to notify the county election officer
9 within 30 days after a petition is filed, the resolution shall be deemed
10 abandoned and no like resolution shall be adopted by the board within
11 the nine months following publication of the resolution.

12 (5) The requirements of provision (2) do not apply to any district that
13 is continuously and permanently authorized to increase the local option
14 budget of the district. An increase in the amount of a local option budget
15 by such a district shall require a majority vote of the members of the
16 board and shall require no other procedure, authorization or approval.

17 (6) If any district is authorized to increase a local option budget, but
18 the board of such district chooses, in any school year, not to adopt or
19 increase such budget or chooses, in any school year, to adopt or increase
20 such budget in an amount less than the amount authorized, such board
21 of education may so choose. If the board of any district refrains from
22 adopting or increasing a local option budget in any one or more school
23 years or refrains from budgeting the total amount authorized for any one
24 or more school years, the amount authorized to be budgeted in any suc-
25 ceeding school year shall not be increased by such refrainment, nor shall
26 the authority of the district to increase its local option budget be extended
27 by such refrainment beyond the period of time specified in the resolution
28 authorizing an increase in the local option budget if the resolution spec-
29 ified such a period of time.

30 (7) Whenever an initial resolution has been adopted under this sub-
31 section, and such resolution specified a percentage which together with
32 the percentage of the amount of state financial aid budgeted under sub-
33 section (a) is less than the state prescribed percentage, the board of the
34 district may adopt one or more subsequent resolutions under the same
35 procedure as provided for the initial resolution and shall be authorized
36 to increase the percentage as specified in any such subsequent resolution.
37 If the initial resolution specified a definite period of time for which the
38 district is authorized to increase its local option budget, the authority to
39 increase such budget by the percentage specified in any subsequent res-
40 olution shall be limited to the remainder of the period of time specified
41 in the initial resolution. Any percentage specified in a subsequent reso-
42 lution or in subsequent resolutions shall be limited so that the sum of the
43 percentage authorized in the initial resolution and the percentage au-

1 thORIZED in the subsequent resolution or in subsequent resolutions to-
2 gether with the percentage of the amount of state financial aid budgeted
3 under subsection (a) is not in excess of the state prescribed percentage
4 in any school year.

5 (8) (A) Subject to the provisions of subpart (B), the board of any
6 district that has adopted a local option budget under subsection (a), has
7 been authorized to increase such budget under a resolution which spec-
8 ified a definite period of time for retention of such authorization, and has
9 levied a tax under authority of K.S.A. 72-6435, and amendments thereto,
10 may initiate, at any time after the final levy is certified to the county clerk
11 under any current authorization, procedures to renew the authority to
12 increase the local option budget subject to the conditions and in the
13 manner specified in provisions (2) and (3) of this subsection.

14 (B) The provisions of subpart (A) do not apply to the board of any
15 district that is continuously and permanently authorized to increase the
16 local option budget of the district.

17 (9) As used in this subsection:

18 (A) "Authorized to increase a local option budget" means either that
19 a district has held a special election under provision (2)(B) by which au-
20 thority of the board to increase a local option budget was approved, or
21 that a district has adopted a resolution under provision (2) (A), has pub-
22 lished the same, and either that the resolution was not protested or that
23 it was protested and an election was held by which the authority of the
24 board to increase a local option budget was approved.

25 (B) "State prescribed percentage" means ~~27%~~ 25% for school year
26 2005-2006, ~~29%~~ for school year 2006-2007 and ~~30%~~ for school year 2007-
27 ~~2008~~ and each school year thereafter.

28 (c) To the extent the provisions of the foregoing subsections conflict
29 with this subsection, this subsection shall control. Any district that is au-
30 thorized to adopt a local option budget in the 1997-98 school year under
31 a resolution which authorized the adoption of such budget in accordance
32 with the provisions of this section prior to its amendment by this act may
33 continue to operate under such resolution for the period of time specified
34 in the resolution or may abandon the resolution and operate under the
35 provisions of this section as amended by this act. Any such district shall
36 operate under the provisions of this section as amended by this act after
37 the period of time specified in the resolution has expired.

38 (d) (1) There is hereby established in every district that adopts a local
39 option budget a fund which shall be called the supplemental general fund.
40 The fund shall consist of all amounts deposited therein or credited thereto
41 according to law.

42 (2) Subject to the limitation imposed under provision (3), amounts in
43 the supplemental general fund may be expended for any purpose for

1 which expenditures from the general fund are authorized or may be trans-
2 ferred to the general fund of the district or to any program weighted fund
3 or categorical fund of the district.

4 (3) Amounts in the supplemental general fund may not be expended
5 nor transferred to the general fund of the district for the purpose of
6 making payments under any lease-purchase agreement involving the ac-
7 quisition of land or buildings which is entered into pursuant to the pro-
8 visions of K.S.A. 72-8225, and amendments thereto.

9 (4) Any unexpended and unencumbered cash balance remaining in
10 the supplemental general fund of a district at the conclusion of any school
11 year in which a local option budget is adopted shall be disposed of as
12 provided in this subsection. If the district did not receive supplemental
13 general state aid in the school year and the board of the district deter-
14 mines that it will be necessary to adopt a local option budget in the en-
15 suing school year, the total amount of the cash balance remaining in the
16 supplemental general fund shall be maintained in such fund or trans-
17 ferred to the general fund of the district. If the board of such a district
18 determines that it will not be necessary to adopt a local option budget in
19 the ensuing school year, the total amount of the cash balance remaining
20 in the supplemental general fund shall be transferred to the general fund
21 of the district. If the district received supplemental general state aid in
22 the school year, transferred or expended the entire amount budgeted in
23 the local option budget for the school year, and determines that it will be
24 necessary to adopt a local option budget in the ensuing school year, the
25 total amount of the cash balance remaining in the supplemental general
26 fund shall be maintained in such fund or transferred to the general fund
27 of the district. If such a district determines that it will not be necessary
28 to adopt a local option budget in the ensuing school year, the total amount
29 of the cash balance remaining in the supplemental general fund shall be
30 transferred to the general fund of the district. If the district received
31 supplemental general state aid in the school year, did not transfer or
32 expend the entire amount budgeted in the local option budget for the
33 school year, and determines that it will not be necessary to adopt a local
34 option budget in the ensuing school year, the total amount of the cash
35 balance remaining in the supplemental general fund shall be transferred
36 to the general fund of the district. If the district received supplemental
37 general state aid in the school year, did not transfer or expend the entire
38 amount budgeted in the local option budget for the school year, and
39 determines that it will be necessary to adopt a local option budget in the
40 ensuing school year, the state board shall determine the ratio of the
41 amount of supplemental general state aid received to the amount of the
42 local option budget of the district for the school year and multiply the
43 total amount of the cash balance remaining in the supplemental general

1 fund by such ratio. An amount equal to the amount of the product shall
2 be transferred to the general fund of the district. The amount remaining
3 in the supplemental general fund may be maintained in such fund or
4 transferred to the general fund of the district.

5 ~~(c) To the extent the provisions of the foregoing section conflict with~~
6 ~~this subsection, this subsection shall control. Any district that adopted or~~
7 ~~was authorized to adopt a local option budget for school year 2004-2005~~
8 ~~in an amount equal to 25% may adopt a local option budget for school~~
9 ~~year 2005-2006 in an amount not to exceed the state prescribed per-~~
10 ~~centage in effect on July 1, 2005, by adoption of a resolution. Such res-~~
11 ~~olution shall not be subject to the provisions of this section relating to~~
12 ~~publication, protest or election.~~

13 New Sec. 3. (a) Notwithstanding the provisions of K.S.A. 72-6433,
14 and amendments thereto, for school year 2005-2006 and thereafter school
15 districts that adopt a local option budget that does not exceed 19% of the
16 state financial aid determined for the district for the school year may
17 adopt such budget by majority vote of the members of the board and
18 such action shall require no other procedure, authorization or approval.

19 (b) Subject to the provisions of subsection (c), for school year 2005-
20 2006 and thereafter, school districts that adopt a local option budget in
21 excess of 19% of the state financial aid determined for the district for the
22 school year shall pass a resolution in accordance with the provisions of
23 subsection (b) of K.S.A. 72-6433, and amendments thereto. In adopting
24 such resolution, the school board shall itemize the proposed expenditures
25 by categories.

26 (c) Nothing in this section shall preclude a school district for making
27 a local option budget levy up to the state prescribed percentage amount
28 if the levy has been previously approved at an election held prior to the
29 effective date of this act or if no sufficient petition was filed in protest to
30 a resolution relating to such levy.

31 Sec. 4. K.S.A. 72-6433, as amended by section 17 of 2005 Senate Bill
32 No. 43 and K.S.A. 2004 Supp. 72-6431, as amended by section 22 of 2005
33 House Bill No. 2247 are hereby repealed.

34 Sec. 5. This act shall take effect and be in force from and after its
35 publication in the Kansas register.