

HOUSE BILL No. 2597

By Representative Otto

1-12

9 AN ACT relating to taxation; relating to the financing of schools; provid-
10 ing for the equalization of certain property taxes; amending K.S.A.
11 2005 Supp. 72-6431 and 72-6434 and repealing the existing sections.
12

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

14 Section 1. K.S.A. 2005 Supp. 72-6431 is hereby amended to read as
15 follows: 72-6431. (a) The board of each district shall levy an ad valorem
16 tax upon the taxable tangible property of the district in the school years
17 specified in subsection (b) for the purpose of:

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

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

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

28 (b) The tax required under subsection (a) shall be levied at a rate of
29 ~~20~~ 25 mills in the school year 2005-2006 and school year 2006-2007.

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

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

42 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-
43 1964b, and amendments thereto.

1 Sec. 2. K.S.A. 2005 Supp. 72-6434 is hereby amended to read as
2 follows: 72-6434. (a) In each school year, each district that has adopted a
3 local option budget is eligible for entitlement to an amount of supple-
4 mental general state aid. Entitlement of a district to supplemental general
5 state aid shall be determined by the state board as provided in this sub-
6 section. The state board shall:

- 7 (1) Determine the amount of the assessed valuation per pupil in the
8 preceding school year of each district in the state;
- 9 (2) rank the districts from low to high on the basis of the amounts of
10 assessed valuation per pupil determined under (1);
- 11 (3) identify the amount of the assessed valuation per pupil located at
12 the ~~81.2~~ 93.1 percentile of the amounts ranked under (2);
- 13 (4) divide the assessed valuation per pupil of the district in the pre-
14 ceding school year by the amount identified under (3);
- 15 (5) subtract the ratio obtained under (4) from 1.0. If the resulting
16 ratio equals or exceeds 1.0, the eligibility of the district for entitlement
17 to supplemental general state aid shall lapse. If the resulting ratio is less
18 than 1.0, the district is entitled to receive supplemental general state aid
19 in an amount which shall be determined by the state board by multiplying
20 the amount of the local option budget of the district by such ratio. The
21 product is the amount of supplemental general state aid the district is
22 entitled to receive for the school year.

23 (b) If the amount of appropriations for supplemental general state
24 aid is less than the amount each district is entitled to receive for the school
25 year, the state board shall prorate the amount appropriated among the
26 districts in proportion to the amount each district is entitled to receive.

27 (c) The state board shall prescribe the dates upon which the distri-
28 bution of payments of supplemental general state aid to school districts
29 shall be due. Payments of supplemental general state aid shall be distrib-
30 uted to districts on the dates prescribed by the state board. The state
31 board shall certify to the director of accounts and reports the amount due
32 each district, and the director of accounts and reports shall draw a warrant
33 on the state treasurer payable to the treasurer of the district. Upon receipt
34 of the warrant, the treasurer of the district shall credit the amount thereof
35 to the supplemental general fund of the district to be used for the pur-
36 poses of such fund.

37 (d) If any amount of supplemental general state aid that is due to be
38 paid during the month of June of a school year pursuant to the other
39 provisions of this section is not paid on or before June 30 of such school
40 year, then such payment shall be paid on or after the ensuing July 1, as
41 soon as moneys are available therefor. Any payment of supplemental gen-
42 eral state aid that is due to be paid during the month of June of a school
43 year and that is paid to school districts on or after the ensuing July 1 shall

1 be recorded and accounted for by school districts as a receipt for the
2 school year ending on the preceding June 30.

3 New Sec. 3. (a) The increased local effort derived from the amend-
4 ments to K.S.A. 72-6434, and amendments thereto, by this act shall be
5 utilized by each school district receiving such increase to reduce the mill
6 levy for the district's local option budget by the number of mills attrib-
7 utable to the dollar amount of such increased local effort received. Sub-
8 ject to the provisions of K.S.A. 72-6431, and amendments thereto, if the
9 school district has no local option budget levy, such increased local effort
10 may be utilized for any educational expense approved by the school board.

11 (b) Nothing in this section shall preclude a school district from in-
12 creasing its local option budget above the amount of the reduced mill
13 levy pursuant to subsection (a) but such action shall require a resolution
14 of the school board and shall be subject to the protest petition provisions
15 of K.S.A. 72-6433, and amendments thereto. The resolution shall enu-
16 merate how such additional funds will be expended.

17 Sec. 4. K.S.A. 2005 Supp. 72-6431 and 72-6434 are hereby repealed.

18 Sec. 5. This act shall take effect and be in force from and after its
19 publication in the statute book.