

*[As Amended by Senate Committee of the Whole]*

*As Amended by Senate Committee*

*[As Amended by House Committee of the Whole]*

*As Amended by House Committee*

*Session of 2010*

## HOUSE BILL No. 2704

By Committee on Appropriations

2-18

16 AN ACT concerning school districts; ~~relating to school finance; relating~~  
17 ~~to consolidation; amending K.S.A. 2009 Supp. 72-6412 and 72-8701~~  
18 ~~and repealing the existing sections [section] [amending K.S.A. 2009~~  
19 ~~Supp. 72-6441, 72-6449, 72-6451 and 72-8701 and repealing the~~  
20 ~~existing sections].~~  
21

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

23 ~~Section 1.—K.S.A. 2009 Supp. 72-6412 is hereby amended to read as~~  
24 ~~follows: 72-6412. (a) The low enrollment weighting of districts which are~~  
25 ~~at least 200 square miles in area **Except as provided in subsection (b),**~~  
26 ~~the low enrollment weighting of districts shall be determined by the~~  
27 ~~state board as provided by this section *subsection*.~~

28 ~~—(b) (1) For districts with enrollment of 1,637 or more in school year~~  
29 ~~2006-2007, and 1,622 or more in school year 2007-2008 and each school~~  
30 ~~year thereafter 1,622 or more, the low enrollment weighting shall be 0.~~

31 ~~—(c) (2) For districts with enrollment of less than 100, the low enroll-~~  
32 ~~ment weighting shall be equal to the low enrollment weighting of a district~~  
33 ~~with enrollment of 100.~~

34 ~~—(d) (3) For districts with enrollment of less than 1,637 in school year~~  
35 ~~2006-2007 and less than 1,622 in school year 2007-2008 and each school~~  
36 ~~year thereafter 1,622 and more than 99, the low enrollment weighting~~  
37 ~~shall be determined by the state board as follows:~~

38 ~~—(1) (A) Determine the low enrollment weighting for such districts for~~  
39 ~~school year 2004-2005;~~

40 ~~—(2) (B) multiply the low enrollment weighting of each district deter-~~  
41 ~~mined under paragraph (1) (A) by 3,863;~~

42 ~~—(3) (C) add 3,863 to the product obtained under paragraph (2) (B);~~

43 ~~—(4) (D) divide the product obtained under paragraph (3) (C) by 4,107;~~

1 ~~and~~  
2 ~~—(5)(E) subtract 1 from the product obtained under paragraph (4)(D).~~  
3 ~~The difference shall be the low enrollment weighting of the district.~~  
4 ~~—(b) The **From and after July 1, 2012,** the low enrollment weighting~~  
5 ~~of districts which are less than 200 square miles in area shall be deter-~~  
6 ~~mined by the state board as provided by this subsection.~~  
7 ~~—(1) For districts with enrollment of 1,622 or more the low enrollment~~  
8 ~~weighting shall be 0.~~  
9 ~~—(2) For districts with enrollment of less than 400 **200,** the low en-~~  
10 ~~rollment weighting shall be equal to the low enrollment weighting of a~~  
11 ~~district with enrollment of 400 **200.**~~  
12 ~~—(3) For districts with enrollment of less than 1,622 and more than 399~~  
13 ~~**199,** the low enrollment weighting shall be determined by the state board~~  
14 ~~as follows:~~  
15 ~~—(A) Determine the low enrollment weighting for such districts for~~  
16 ~~school year 2004-2005;~~  
17 ~~—(B) multiply the low enrollment weighting of each district determined~~  
18 ~~under paragraph (A) by 3,863;~~  
19 ~~—(C) add 3,863 to the product obtained under paragraph (B);~~  
20 ~~—(D) divide the product obtained under paragraph (C) by 4,107; and~~  
21 ~~—(E) subtract 1 from the product obtained under paragraph (D). The~~  
22 ~~difference shall be the low enrollment weighting of the district.~~  
23 ~~See [Section] **2.** [1.]~~ K.S.A. 2009 Supp. 72-8701 is hereby amended  
24 to read as follows: 72-8701. In accordance with the provisions of this act:  
25 (a) The boards of education of any two or more school districts ~~are hereby~~  
26 ~~authorized to~~ *may* discuss issues relating to consolidation of such districts  
27 and enter into agreements to form one **or more** consolidated unified  
28 school district; ~~and (b) the boards of education of any three or more school~~  
29 ~~districts may discuss issues relating to consolidation of such districts and~~  
30 ~~enter into agreements to form two consolidated unified school districts so~~  
31 ~~long as any such agreement provides for a consolidation which re-~~  
32 ~~sults in a fewer number of districts than the number of districts~~  
33 ~~entering the agreement.~~ Such meetings may be held within the bound-  
34 aries of any of the districts proposing to form the consolidated district.  
35 **[New Sec. 2. Any student transferring from a school which is**  
36 **closed or discontinued as a result of the consolidation of school**  
37 **districts shall be eligible for interschool activities immediately upon**  
38 **enrollment at another attendance center in the consolidated school**  
39 **district, if the student meets the following conditions:**  
40 **[(a) The student enrolls at an attendance center in the vicinity**  
41 **of the student's home which is close enough so the student may**  
42 **continue to reside at home; and**  
43 **[(b) the student meets all other eligibility requirements con-**

1 *cerning enrollment, age, grade-level and academics.]*  
2 ~~Sec. 3. [2.] K.S.A. 2009 Supp. 72-6412 and 72-8701 are [72-8701~~  
3 ~~is] hereby repealed.~~  
4 *[Sec. 3. K.S.A. 2009 Supp. 72-6441 is hereby amended to read*  
5 *as follows: 72-6441. (a) (1) The board of any district to which the*  
6 *provisions of this subsection apply may levy an ad valorem tax on*  
7 *the taxable tangible property of the district each year for a period*  
8 *of time not to exceed two years in an amount not to exceed the*  
9 *amount authorized by the state court of tax appeals under this sub-*  
10 *section for the purpose of financing the costs incurred by the state*  
11 *that are directly attributable to assignment of ancillary school fa-*  
12 *cilities weighting to enrollment of the district. The state court of tax*  
13 *appeals may authorize the district to make a levy which will pro-*  
14 *duce an amount that is not greater than the difference between the*  
15 *amount of costs directly attributable to commencing operation of*  
16 *one or more new school facilities and the amount that is financed*  
17 *from any other source provided by law for such purpose, including*  
18 *any amount attributable to assignment of school facilities weighting*  
19 *to enrollment of the district for each school year in which the dis-*  
20 *trict is eligible for such weighting. If the district is not eligible, or*  
21 *will be ineligible, for school facilities weighting in any one or more*  
22 *years during the two-year period for which the district is authorized*  
23 *to levy a tax under this subsection, the state court of tax appeals*  
24 *may authorize the district to make a levy, in such year or years of*  
25 *ineligibility, which will produce an amount that is not greater than*  
26 *the actual amount of costs attributable to commencing operation of*  
27 *the facility or facilities.*  
28 *[(2) The state court of tax appeals shall certify to the state board*  
29 *of education the amount authorized to be produced by the levy of*  
30 *a tax under subsection (a).*  
31 *[(3) The state court of tax appeals may adopt rules and regu-*  
32 *lations necessary to effectuate the provisions of this subsection, in-*  
33 *cluding rules and regulations relating to the evidence required in*  
34 *support of a district's claim that the costs attributable to commenc-*  
35 *ing operation of one or more new school facilities are in excess of*  
36 *the amount that is financed from any other source provided by law*  
37 *for such purpose.*  
38 *[(4) The provisions of this subsection apply to any district that*  
39 *(A) commenced operation of one or more new school facilities in the*  
40 *school year preceding the current school year or has commenced or*  
41 *will commence operation of one or more new school facilities in the*  
42 *current school year or any or all of the foregoing; (B) is authorized*  
43 *to adopt and has adopted a local option budget which is at least*

1 *equal to that amount required to qualify for school facilities weight-*  
2 *ing under K.S.A. 2009 Supp. 72-6415b, and amendments thereto;*  
3 *and (C) is experiencing extraordinary enrollment growth as deter-*  
4 *mined by the state board of education.*

5 *[(b) The board of any district that has levied an ad valorem tax*  
6 *on the taxable tangible property of the district each year for a pe-*  
7 *riod of two years under authority of subsection (a) may continue to*  
8 *levy such tax under authority of this subsection each year for an*  
9 *additional period of time not to exceed three years in an amount*  
10 *not to exceed the amount computed by the state board of education*  
11 *as provided in this subsection if the board of the district determines*  
12 *that the costs attributable to commencing operation of one or more*  
13 *new school facilities are significantly greater than the costs attrib-*  
14 *utable to the operation of other school facilities in the district. The*  
15 *tax authorized under this subsection may be levied at a rate which*  
16 *will produce an amount that is not greater than the amount com-*  
17 *puted by the state board of education as provided in this subsection.*  
18 *In computing such amount, the state board shall (1) determine the*  
19 *amount produced by the tax levied by the district under authority*  
20 *of subsection (a) in the second year for which such tax was levied*  
21 *and add to such amount the amount of general state aid directly*  
22 *attributable to school facilities weighting that was received by the*  
23 *district in the same year, and (2) compute 75% of the amount of the*  
24 *sum obtained under (1), which computed amount is the amount the*  
25 *district may levy in the first year of the three-year period for which*  
26 *the district may levy a tax under authority of this subsection, and*  
27 *(3) compute 50% of the amount of the sum obtained under (1),*  
28 *which computed amount is the amount the district may levy in the*  
29 *second year of the three-year period for which the district may levy*  
30 *a tax under authority of this subsection, and (4) compute 25% of*  
31 *the amount of the sum obtained under (1), which computed amount*  
32 *is the amount the district may levy in the third year of the three-*  
33 *year period for which the district may levy a tax under authority*  
34 *of this subsection.*

35 *[(c) The proceeds from the tax levied by a district under au-*  
36 *thority of this section shall be remitted to the state treasurer in*  
37 *accordance with the provisions of K.S.A. 75-4215, and amendments*  
38 *thereto. Upon receipt of each such remittance, the state treasurer*  
39 *shall deposit the entire amount in the state treasury to the credit of*  
40 *the state school district finance fund.*

41 *[(d) As used in this section, “taxable tangible property” means real*  
42 *property, personal property, state-assessed property and motor vehicles.*

43 *[Sec. 4. K.S.A. 2009 Supp. 72-6449 is hereby amended to read*

1 **as follows: 72-6449. (a) As used in this section,** ~~“school district” or~~  
2 ~~“district” means a school district authorized to make a levy under this~~  
3 ~~section:~~

4 *[(1) “School district” or “district” means a school district authorized*  
5 *to make a levy under this section.*

6 *[(2) “Taxable tangible property” means real property, personal prop-*  
7 *erty, state-assessed property and motor vehicles.*

8 ***[(b) The board of education of any district may levy a an ad***  
9 ***valorem tax on the taxable tangible property within the district for***  
10 ***the purpose of financing the costs incurred by the state that are***  
11 ***attributable directly to assignment of the cost of living weighting to***  
12 ***the enrollment of the district. There is hereby established in every***  
13 ***school district a fund which shall be called the cost of living fund,***  
14 ***which fund shall consist of all moneys deposited therein or trans-***  
15 ***ferred thereto in accordance with law. All moneys derived from a***  
16 ***tax imposed pursuant to this section shall be credited to the cost of***  
17 ***living fund. The proceeds from the tax levied by a district credited***  
18 ***to the cost of living fund shall be remitted to the state treasurer in***  
19 ***accordance with the provisions of K.S.A. 75-4215, and amendments***  
20 ***thereto. Upon receipt of each such remittance, the state treasurer***  
21 ***shall deposit the entire amount in the state treasury to the credit of***  
22 ***the state school district finance fund.***

23 *[(c) The state board of education shall determine whether a dis-*  
24 *trict may levy a tax under this section as follows:*

25 *[(1) Determine the statewide average appraised value of single*  
26 *family residences for the calendar year preceding the current school*  
27 *year;*

28 *[(2) multiply the amount determined under (1) by 1.25;*

29 *[(3) determine the average appraised value of single family res-*  
30 *idences in each school district for the calendar year preceding the*  
31 *current school year; and*

32 *[(4) (A) subtract the amount determined under (2) from the*  
33 *amount determined under (3). If the amount determined for the*  
34 *district under this paragraph is a positive number and the district*  
35 *is authorized to adopt and has adopted a local option budget in an*  
36 *amount equal to at least 31% of the state financial aid for the school*  
37 *district, the district qualifies for assignment of cost of living weight-*  
38 *ing and may levy a tax on the taxable tangible property of the dis-*  
39 *trict for the purpose of financing the costs that are attributable*  
40 *directly to assignment of the cost of living weighting to enrollment*  
41 *of the district; or*

42 *[(B) As an alternative to the authority provided in paragraph*  
43 *(4)(A), if a district was authorized to make a levy pursuant to this*

1 *section in school year 2006-2007, such district shall remain au-*  
 2 *thorized to levy such tax at a rate necessary to generate revenue in*  
 3 *the same amount generated in school year 2006-2007 if: (i) The*  
 4 *amount determined under paragraph (4)(A) is a positive number;*  
 5 *and (ii) the district continues to adopt a local option budget in an*  
 6 *amount equal to the state prescribed percentage in effect in school*  
 7 *year 2006-2007.*

8 *[(d) No tax may be levied under this section unless the board of*  
 9 *education adopts a resolution authorizing such a tax levy and pub-*  
 10 *lishes the resolution at least once in a newspaper having general*  
 11 *circulation in the district. Except as provided by subsection (e), the*  
 12 *resolution shall be published in substantial compliance with the*  
 13 *following form:*

14 *[Unified School District No. \_\_\_\_\_,*  
 15 *\_\_\_\_\_ County, Kansas.*

16 *[RESOLUTION*

17 *[Be It Resolved that:*

18 *[The board of education of the above-named school district shall be authorized to*  
 19 *levy an ad valorem tax in an amount not to exceed the amount necessary to finance*  
 20 *the costs attributable directly to the assignment of cost of living weighting to the*  
 21 *enrollment of the district. The ad valorem tax authorized by this resolution may be*  
 22 *levied unless a petition in opposition to the same, signed by not less than 5% of the*  
 23 *qualified electors of the school district, is filed with the county election officer of the*  
 24 *home county of the school district within 30 days after the publication of this reso-*  
 25 *lution. If a petition is filed, the county election officer shall submit the question of*  
 26 *whether the levy of such a tax shall be authorized in accordance with the provisions*  
 27 *of this resolution to the electors of the school district at the next general election of*  
 28 *the school district, as is specified by the board of education of the school district.*

29 *[CERTIFICATE*

30 *[This is to certify that the above resolution was duly adopted by the board of*  
 31 *education of Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the*  
 32 *\_\_\_\_\_ day of \_\_\_\_\_, (year)\_\_\_\_\_*

33 *\_\_\_\_\_*

34 *[Clerk of the board of education.*

35 *[All of the blanks in the resolution shall be filled. If no petition*  
 36 *as specified above is filed in accordance with the provisions of the*  
 37 *resolution, the resolution authorizing the ad valorem tax levy shall*  
 38 *become effective. If a petition is filed as provided in the resolution,*  
 39 *the board may notify the county election officer to submit the ques-*  
 40 *tion of whether such tax levy shall be authorized. If the board fails*  
 41 *to notify the county election officer within 30 days after a petition*  
 42 *is filed, the resolution shall be deemed abandoned and of no force*  
 43 *and effect and no like resolution shall be adopted by the board*

1 *within the nine months following publication of the resolution. If a*  
2 *majority of the votes cast in an election conducted pursuant to this*  
3 *provision are in favor of the resolution, such resolution shall be*  
4 *effective on the date of such election. If a majority of the votes cast*  
5 *are not in favor of the resolution, the resolution shall be deemed of*  
6 *no effect and no like resolution shall be adopted by the board within*  
7 *the nine months following such election.*

8 *[Sec. 5. K.S.A. 2009 Supp. 72-6451 is hereby amended to read*  
9 *as follows: 72-6451. (a) As used in this section:*

10 *[(1) “School district” or “district” means a school district*  
11 *which: (A) Has a declining enrollment; and (B) has adopted a local*  
12 *option budget in an amount which equals at least 31% of the state*  
13 *financial aid for the school district at the time the district applies*  
14 *to the state court of tax appeals for authority to make a levy pur-*  
15 *suant to this section.*

16 *[(2) “Declining enrollment” means an enrollment which has de-*  
17 *clined in amount from that of the preceding school year.*

18 *[(3) “Taxable tangible property” means real property, personal prop-*  
19 *erty, state-assessed property and motor vehicles.*

20 *[(b) (1) (A) A school district may levy an ad valorem tax on the*  
21 *taxable tangible property of the district each year for a period of*  
22 *time not to exceed two years in an amount not to exceed the amount*  
23 *authorized by the state court of tax appeals under this subsection*  
24 *for the purpose of financing the costs incurred by the state that are*  
25 *directly attributable to assignment of declining enrollment weight-*  
26 *ing to enrollment of the district. The state court of tax appeals may*  
27 *authorize the district to make a levy which will produce an amount*  
28 *that is not greater than the amount of revenues lost as a result of*  
29 *the declining enrollment of the district. Such amount shall not ex-*  
30 *ceed 5% of the general fund budget of the district in the school year*  
31 *in which the district applies to the state court of tax appeals for*  
32 *authority to make a levy pursuant to this section.*

33 *[(B) As an alternative to the authority provided in paragraph*  
34 *(1)(A), if a district was authorized to make a levy pursuant to this*  
35 *section in school year 2006-2007, such district shall remain au-*  
36 *thorized to make a levy at a rate necessary to generate revenue in*  
37 *the same amount that was generated in school year 2007-2008 if*  
38 *the district adopts a local option budget in an amount equal to the*  
39 *state prescribed percentage in effect in school year 2006-2007.*

40 *[(2) The state court of tax appeals shall certify to the state board*  
41 *the amount authorized to be produced by the levy of a tax under*  
42 *this section.*

43 *[(3) The state board shall prescribe guidelines for the data that*

1 *school districts shall include in cases before the state court of tax*  
2 *appeals pursuant to this section.*

3 *[(c) A district may levy the tax authorized pursuant to this sec-*  
4 *tion for a period of time not to exceed two years unless authority to*  
5 *make such levy is renewed by the state court of tax appeals. The*  
6 *state court of tax appeals may renew the authority to make such*  
7 *levy for periods of time not to exceed two years.*

8 *[(d) The state board shall provide to the state court of tax ap-*  
9 *peals such school data and information requested by the state court*  
10 *of tax appeals and any other information deemed necessary by the*  
11 *state board.*

12 *[(e) There is hereby established in every district a fund which*  
13 *shall be called the declining enrollment fund. Such fund shall con-*  
14 *sist of all moneys deposited therein or transferred thereto according*  
15 *to law. The proceeds from the tax levied by a district under au-*  
16 *thority of this section shall be credited to the declining enrollment*  
17 *fund of the district. The proceeds from the tax levied by a district*  
18 *credited to the declining enrollment fund shall be remitted to the*  
19 *state treasurer in accordance with the provisions of K.S.A. 75-4215,*  
20 *and amendments thereto. Upon receipt of each such remittance, the*  
21 *state treasurer shall deposit the entire amount in the state treasury*  
22 *to the credit of the state school district finance fund.]*

23 *[Sec. 6. K.S.A. 2009 Supp. 72-998 is hereby amended to read*  
24 *as follows: 72-998. (a) As used in this section:*

25 *[(1) “Medicaid children” means exceptional children who re-*  
26 *ceive special education and related services and for which the dis-*  
27 *trict receives medicaid payments.*

28 *[(2) Words and phrases used in this section, have the meanings*  
29 *ascribed thereto in K.S.A. 72-962, and amendments thereto.*

30 *[(b) The provisions of this section shall be applicable for school years*  
31 *~~2007-2008, 2008-2009 and 2009-2010.~~ The state board shall designate*  
32 *a portion of the amount of moneys appropriated as special educa-*  
33 *tion services state aid as medicaid replacement state aid. The*  
34 *amount designated by the state board shall not exceed \$9,000,000*  
35 *in any school year.*

36 *[(c) Subject to the limitations of this section and appropriations*  
37 *therefor, each school district shall be entitled to medicaid replace-*  
38 *ment state aid. The amount of such state aid shall be computed by*  
39 *the state board as provided in this section. The state board shall:*

40 *[(1) Determine the total number of medicaid children in all*  
41 *school districts on March 1 of each school year;*

42 *[(2) divide the amount of moneys designated as medicaid re-*  
43 *placement state aid by the amount determined under paragraph (1);*

1 *and*

2 *[(3) multiply the quotient determined under paragraph (2) by*  
3 *the number of medicaid children in each school district on March*  
4 *1 of each school year. The product is the amount of medicaid re-*  
5 *placement state aid the district is entitled to receive.*

6 *[(d) All amounts received by a school district under this section*  
7 *shall be deposited in the general fund of the district and shall be*  
8 *transferred to the special education fund of the district.*

9 *[(e) The board of education of any district desiring to receive*  
10 *state aid pursuant to this section shall submit any documentation*  
11 *or information to the state board as it may request. The state board*  
12 *may establish deadlines for the submission of such documentation*  
13 *and information.*

14 *[(f) The state board shall make the distribution of moneys under*  
15 *this section prior to determining the amount of state aid to be dis-*  
16 *tributed under K.S.A. 72-978, and amendments thereto.*

17 *[(g) The state board shall prescribe all forms necessary for re-*  
18 *porting under this section.]*

19 *[Sec. 7. K.S.A. 2009 Supp. 72-998, 72-6441, 72-6449, 72-6451*  
20 *and 72-8701 are hereby repealed.]*

21 Sec. 4. ~~[3.]~~ [8.] This act shall take effect and be in force from and  
22 after July 1, 2012, and its publication in the statute book **its publication**  
23 **in the Kansas register.**