

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **House Substitute for SB 300**, on page 1, by striking all in lines 20 through 31;

On page 7, in line 31, after "(a)" by inserting "(1)";

On page 8, in line 11, before "Upon" by inserting "In addition, the board shall order the state treasurer to withhold all or a portion of the county's entitlement to moneys from the county and city revenue sharing fund for the year following the year in which the order is issued."; in line 15, before "Any" by inserting "(2)"; in line 23, after "(b)" by inserting "(1)"; in line 33, before "If" by inserting "(2)"; in line 42, before "If" by inserting "(3)";

On page 9, in line 10, before the period by inserting "and shall certify its order to the state treasurer who shall withhold distributions of the county's share of moneys from the county and city revenue sharing fund and credit the same to the general fund of the state for the year following the year in which the board's order is made"; following line 21, by inserting:

"Sec. 11. K.S.A. 2023 Supp. 79-2959 is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts that in the aggregate equal 3.63% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, during the preceding calendar year

from the state general fund to the local ad valorem tax reduction fund, ~~except that: (1) No moneys shall be transferred from the state general fund to the local ad valorem tax reduction fund during state fiscal years 2023, 2024 and 2025; and (2) the amount of the transfer on each such date shall be \$27,000,000 during fiscal year 2026 and all fiscal years thereafter.~~ All such transfers are subject to reduction under K.S.A. 75-6704, and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be revenue transfers from the state general fund.

(c) The state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) 65% of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1 of the preceding year; and (2) 35% of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

Sec. 12. K.S.A. 79-2960 is hereby amended to read as follows: 79-2960. Each year, the county treasurer shall estimate the amount of money each political subdivision in such county ~~(, including the county as one such political subdivision)~~, will receive from the local ad valorem tax reduction fund. The state treasurer shall use the most recent available information to advise each county treasurer, prior to June 1 of each year, of the amount of the local ad valorem tax reduction fund of the state that the state treasurer estimates ~~(using the most recent available information)~~ will be paid to such county on January 15 and July 15 of the following year. The county treasurer shall, before June 15 of each year, notify the treasurer of each political subdivision of the estimated amount in dollars of the distributions to be made from the local ad valorem tax reduction fund. Such estimate shall be made in accordance with K.S.A. 79-2961.

~~and amendments thereto. Each tangible property tax levying political subdivision shall set out a local ad valorem tax reduction fund item of income for one or more tangible property tax funds of general application (excepting bond and interest funds), in its budget for the current year tax levies, the amount which the county treasurer has estimated as the share of such local ad valorem tax reduction funds to be so credited. The director of accounts and reports shall make suitable provision in the budget forms to be used by such subdivisions for listing local ad valorem tax reduction fund income items.~~

Sec. 13. K.S.A. 79-2961 is hereby amended to read as follows: 79-2961. (a) ~~The county clerk shall certify to the county treasurer when budgets are made pursuant to K.S.A. 79-2960 and amendments thereto and tax levies are filed with the county clerk. Prior to crediting the proper amounts under subsection (e) and except as provided in subsection (d) (b), the county treasurer shall divide the amount paid by the state treasurer from the local ad valorem tax reduction fund to the county treasurer among the county and all other taxing subdivisions of the county except school districts and any incorporated city within which any portion of the Fort Riley military reservation is located and ~~which that~~ would otherwise be a participant in the Riley county allocation, ~~which comply with the requirements of this act,~~ in the proportion that the product of the last preceding total tangible tax rate of each subdivision, times its equalized tangible assessed valuation for the preceding year, is to the sum of such products of all the tangible tax-levying political subdivisions, except school districts and any incorporated city within which any portion of the Fort Riley military reservation is located and which would otherwise be a participant in the Riley county allocation, exclusive of the levy by the county for any deficiency for state purposes.~~

(b) ~~No political subdivision shall be entitled to participate in the distribution of any money appropriated to carry out K.S.A. 79-2960 and amendments thereto and this section unless and until such political subdivision has adopted and certified a budget for the ensuing year which~~

~~shows as a separate item the amount of the distribution to one or more tax levy funds of general application within such subdivision except bond and interest funds and has certified a tax levy for each such fund that will produce a sum of money less than the amount which a maximum levy would produce for each such fund, in an amount equal to or in excess of the amount of such distribution. The budget of each political subdivision also shall show that the aggregate levies made by such tangible property tax-levying political subdivisions will produce a sum less than the amount which the aggregate levy would produce in an amount equal to or in excess of the aggregate amount of the budget items of such distribution shown in the aggregate levy.~~

~~(e) In crediting the amount that has been divided pursuant to subsection (a) or subsection (d),~~ The county treasurer shall proceed as follows: Upon receipt of the payment from the state treasurer each year, credit the appropriate fund or funds of each political subdivision ~~complying with the provisions of this act~~ with its proportionate share of such payment and the county treasurer shall notify such political subdivision of the amounts so credited. This section and K.S.A. 79-2960, and amendments thereto, shall not apply to school districts. After the crediting of the July 15 payment, the entire amount credited during the calendar year to such appropriate fund of each political subdivision shall be credited by each such political subdivision to residential property taxpayers in the form of a rebate. Such rebate amount shall be reflected as a credit on the next ensuing property tax statement of each residential property taxpayer. Such rebate amount shall be determined by:

(1) Dividing the total amount of such payments received by the political subdivision during the calendar year by the total assessed valuation of all residential property in such political subdivision for the current tax year; and

(2) multiplying the quotient determined under paragraph (1) by the assessed valuation of the taxpayer's residential property for the current tax year.

(c) As used in this section, "residential property" means property classified for property tax purposes within subclass (1) of class 1 or subclass (1) of class 2 of section 1 of article 11 of the constitution of the state of Kansas.

~~(d) The amount paid by the state treasurer to the county treasurer of each county under subsection (d) of K.S.A. 79-2959 and amendments thereto, shall be divided only among the one or more community colleges or municipal universities, or both, which received amounts under this section from the payment made from the local ad valorem tax reduction fund on January 15, 1983. The amount received by each such community college or municipal university under this subsection shall bear the same proportion to the total amount paid to such county under subsection (d) of K.S.A. 79-2959 and amendments thereto, as the amount received by such community college or municipal university under this section from the payment made to such county from the local ad valorem tax reduction fund on January 15, 1983, bears to the total amount received by all such community colleges and municipal universities under this section from such payment."~~

On page 28, in line 37, by striking "19-2694,"; in line 38, by striking the fourth comma and inserting "and"; by striking all after "79-2961"; in line 39, by striking all before the second "and"; in line 40, by striking "79-2964,";

And by renumbering sections accordingly;

On page 1, in the title, by striking all in line 9; in line 10, by striking all before "providing" and inserting "relating to the local ad valorem tax reduction fund; authorizing a transfer of state general fund moneys to such fund in fiscal year 2025 and all fiscal years thereafter; requiring that all moneys received from such fund by political subdivisions be credited to residential property taxpayers in the form of a rebate; providing a formula for such rebate amount;"; in line 12, by striking the first "and" and inserting a comma; also in line 12,

after "79-1479" by inserting ", 79-2960 and 79-2961"; in line 13, after the third comma by inserting "79-2959,"; in line 15, by striking all after "sections"; by striking all in line 16; in line 17, by striking "79-2964"

_____ District.