

SENATE BILL No. 94

By Committee on Assessment and Taxation

1-24

1 AN ACT concerning ~~property~~ taxation; ~~relating to tax levies~~; discontinuing
2 the state **property** tax levies for the Kansas educational building fund
3 and the state institutions building fund; providing financing therefor
4 from the state general fund; **eliminating the local ad valorem tax**
5 **reduction fund and the county and city revenue sharing fund and**
6 **discontinuing certain transfers to the special city and county highway**
7 **fund**; amending K.S.A. 65-163j, 65-3306, 65-3327, 75-2556, 76-6b01,
8 76-6b02, 76-6b04, 76-6b05 and, 76-6b11 and 79-1479 and K.S.A.
9 2023 Supp. 74-8768 and repealing the existing sections; **also repealing**
10 **K.S.A. 19-2694, 79-2960, 79-2961, 79-2962, 79-2965, 79-2966 and**
11 **79-2967 and K.S.A. 2023 Supp. 79-2959, 79-2964 and 79-3425i.**
12

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

14 *New Section 1. On July 1, 2024, the director of accounts and*
15 *reports shall transfer all moneys in the local ad valorem tax reduction*
16 *fund to the state general fund. On July 1, 2024, all liabilities of the local*
17 *ad valorem tax reduction fund are hereby transferred to and imposed on*
18 *the state general fund, and the local ad valorem tax reduction fund is*
19 *hereby abolished.*

20 *New Sec. 2. On July 1, 2024, the director of accounts and reports*
21 *shall transfer all moneys in the county and city revenue sharing fund to*
22 *the state general fund. On July 1, 2024, all liabilities of the county and*
23 *city revenue sharing fund are hereby transferred to and imposed on the*
24 *state general fund, and the county and city revenue sharing fund is*
25 *hereby abolished.*

26 *Sec. 3. K.S.A. 65-163j is hereby amended to read as follows: 65-*
27 *163j. (a) The dedicated source of revenue for repayment of a loan to a*
28 *municipality may include service charges, connection fees, special*
29 *assessments, property taxes, grants or any other source of revenue*
30 *lawfully available to the municipality for such purpose. In order to*
31 *ensure repayment by municipalities of the amounts of loans provided*
32 *under this act, the secretary, after consultation with the governing body*
33 *of any municipality which that receives a loan, may adopt charges to be*
34 *levied against individuals and entities served by the project. Any such*
35 *charges shall remain in effect until the total amount of the loan, and any*
36 *interest thereon, has been repaid. The charges shall, insofar as is*

1 *practicable, be equitably assessed and may be in the form of a surcharge*
2 *to the existing charges of the municipality. The governing body of any*
3 *municipality* ~~which that receives a loan under this act shall collect any~~
4 *charges established by the secretary and shall pay the moneys collected*
5 *therefrom to the secretary in accordance with procedures established by*
6 *the secretary.*

7 (b)—~~Upon the failure of a municipality to meet the repayment terms~~
8 ~~and conditions of the agreement, the secretary may order the treasurer of~~
9 ~~the county in which the municipality is located to pay to the secretary such~~
10 ~~portion of the municipality's share of the local ad valorem tax reduction~~
11 ~~fund as may be necessary to meet the terms of the agreement,~~
12 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, and~~
13 ~~amendments thereto. Upon the issuance of such an order, the municipality~~
14 ~~shall not be required to make the tax levy reductions otherwise required by~~
15 ~~K.S.A. 79-2960 and 79-2961, and amendments thereto.~~

16 (e) *Municipalities* ~~which that are provided with loans under this act~~
17 *shall maintain project accounts in accordance with generally accepted*
18 *government accounting standards.*

19 (d)(c) *Any loans received by a municipality under the provisions of*
20 *this act shall be construed to be bonds for the purposes of K.S.A. 10-*
21 *1116 and 79-5028, and amendments thereto, and the amount of such*
22 *loans shall not be included within any limitation on the bonded*
23 *indebtedness of the municipality.*

24 *Sec. 4. K.S.A. 65-3306 is hereby amended to read as follows: 65-*
25 *3306. The secretary's annual request for appropriations to the water*
26 *pollution control account shall be based on an estimate of the fiscal*
27 *needs for the ensuing budget year, less any amounts received by the*
28 *secretary from any public or private grants or contributions and moneys*
29 *in such account shall be used solely for the purposes provided for by this*
30 *act. Moneys allocated to a municipality shall be encumbered as an*
31 *expenditure of this account upon the formal letting of a contract for the*
32 *improvement notwithstanding the date* ~~on which~~ *when actual payment is*
33 *made of the state financial assistance. Any municipality may contribute*
34 *moneys to the state water pollution control account. If there are no*
35 *uncommitted or unencumbered moneys in the water pollution control*
36 *account, any municipality applying for any water pollution control*
37 *project as defined in K.S.A. 65-3302, and amendments thereto, shall as a*
38 *condition of such application certify in writing to the secretary that a*
39 *contribution in the amount of* ~~twenty-five percent (25%)~~ *of the eligible*
40 *cost of such project will be made to the water pollution control account*
41 *by such municipality prior to formal letting of a construction contract.*
42 *Upon receipt by the secretary, each such contribution shall be retained*
43 *in a subaccount of the water pollution control account for use solely in*

1 *the project for which the municipality has made application.*

2 Notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, any
3 municipality applying for such a water pollution control project may make
4 such contribution from all or such part of its share of the local ad valorem
5 tax reduction fund as may be necessary for such purpose, and to the extent
6 such fund is pledged and used for such purpose the municipality shall not
7 be required to make the tax levy reductions otherwise required by K.S.A.
8 79-2960 and 79-2961. Taxes levied by any municipality by reason of its
9 failure to make such reduction in its levies shall not be subject to or be
10 considered in computing the aggregate limitation upon the levy of taxes by
11 such municipality under the provisions of K.S.A. 79-5003.

12 *Sec. 5. K.S.A. 65-3327 is hereby amended to read as follows: 65-*
13 *3327. (a) The dedicated source of revenue for repayment of the loans*
14 *may include service charges, connection fees, special assessments,*
15 *property taxes, grants or any other source of revenue lawfully available*
16 *to the municipality for such purpose. In order to ensure repayment by*
17 *municipalities of the amounts of loans provided under K.S.A. 65-3321*
18 *through 65-3329, and amendments thereto, the secretary, after*
19 *consultation with the governing body of any municipality which receives*
20 *a loan, may adopt charges to be levied against users of the project. Any*
21 *such charges shall remain in effect until the total amount of the loan,*
22 *and any interest thereon, has been repaid. The charges shall, insofar as*
23 *is practicable, be equitably assessed and may be in the form of a*
24 *surcharge to the existing charges of the municipality. The governing*
25 *body of any municipality which receives a loan under K.S.A. 65-3321*
26 *through 65-3329, and amendments thereto, shall collect any charges*
27 *established by the secretary and shall pay the moneys collected*
28 *therefrom to the secretary in accordance with procedures established by*
29 *the secretary.*

30 *(b)*—Upon the failure of a municipality to meet the repayment terms
31 and conditions of the agreement, the secretary may order the treasurer of
32 the county in which the municipality is located to pay to the secretary such
33 portion of the municipality's share of the local ad valorem tax reduction
34 fund as may be necessary to meet the terms of the agreement,
35 notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and
36 amendments thereto. Upon the issuance of such an order, the municipality
37 shall not be required to make the tax levy reductions otherwise required by
38 K.S.A. 79-2960 and 79-2961 and amendments thereto.

39 *(e) Municipalities which that are provided with loans under K.S.A.*
40 *65-3321 through 65-3329, and amendments thereto, shall maintain*
41 *project accounts in accordance with generally accepted government*
42 *accounting standards.*

43 *(d)(c) Municipalities which that receive a grant and an allowance*

1 *under the federal act with respect to project costs for which a loan was*
2 *provided under K.S.A. 65-3321 through 65-3329, and amendments*
3 *thereto, shall promptly repay such loan to the extent of the allowance*
4 *received under the federal act.*

5 *(e)(d) Any loans received by a municipality under the provisions of*
6 *K.S.A. 65-3321 through 65-3329, and amendments thereto, shall be*
7 *construed to be bonds for the purposes of K.S.A. 10-1116 and 79-5028,*
8 *and amendments thereto, and the amount of such loans shall not be*
9 *included within any limitation on the bonded indebtedness of the*
10 *municipality.*

11 *Sec. 6. K.S.A. 2023 Supp. 74-8768 is hereby amended to read as*
12 *follows: 74-8768. (a) There is hereby created the expanded lottery act*
13 *revenues fund in the state treasury. All expenditures and transfers from*
14 *such fund shall be made in accordance with appropriation acts. All*
15 *moneys credited to such fund shall be expended or transferred only for*
16 *the purposes of reduction of state debt, state infrastructure*
17 *improvements, the university engineering initiative act, ~~reduction of local~~*
18 *~~ad valorem tax in the same manner as provided for allocation of amounts~~*
19 *~~in the local ad valorem tax reduction fund and reduction of the unfunded~~*
20 *~~actuarial liability of the system attributable to the state of Kansas and~~*
21 *~~participating employers under K.S.A. 74-4931, and amendments thereto,~~*
22 *by the Kansas public employees retirement system.*

23 *(b) On July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2024, July 1,*
24 *2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, July 1, 2030,*
25 *and July 1, 2031, or as soon thereafter such date as moneys are*
26 *available, the first \$10,500,000 credited to the expanded lottery act*
27 *revenues fund shall be transferred by the director of accounts and*
28 *reports from the expanded lottery act revenues fund in one or more*
29 *substantially equal amounts, to each of the following: The Kan-grow*
30 *engineering fund – KU, Kan-grow engineering fund – KSU and Kan-*
31 *grow engineering fund – WSU. Each such special revenue fund shall*
32 *receive \$3,500,000 annually in each of such years. Commencing in*
33 *fiscal year 2014, after such transfer has been made, 50% of the*
34 *remaining moneys credited to the fund shall be transferred on a*
35 *quarterly basis by the director of accounts and reports from the fund to*
36 *the Kansas public employees retirement system fund to be applied to*
37 *reduce the unfunded actuarial liability of the system attributable to the*
38 *state of Kansas and participating employers under K.S.A. 74-4931 et*
39 *seq., and amendments thereto, until the system as a whole attains an*
40 *80% funding ratio as certified by the board of trustees of the Kansas*
41 *public employees retirement system.*

42 *Sec. 7. K.S.A. 75-2556 is hereby amended to read as follows: 75-*
43 *2556. (a) The state librarian shall determine the amount of the grant-in-*

1 *aid each eligible local public library is to receive based on the latest*
 2 *population census figures as certified by the division of the budget.*

3 *(b) Except as provided by subsection (d), no local public library*
 4 *shall be eligible for any state grants-in-aid if the total amount of the*
 5 *following paragraphs is less than the total amount produced from such*
 6 *sources for the same library for the previous year, based on the*
 7 *information contained in the official annual budgets of municipalities*
 8 *that are filed with the division of accounts and reports in accordance*
 9 *with K.S.A. 79-2930, and amendments thereto:*

10 *(1) The amount produced by the local ad valorem tax levies for the*
 11 *current year expenses for such library;*

12 ~~*(2) the amount of moneys received from the local ad valorem tax*~~
 13 ~~*reduction fund for current year expenses for such library;*~~

14 ~~*(3) the amount of moneys received from taxes levied upon motor*~~
 15 ~~*vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments*~~
 16 ~~*thereto, for current year expenses for such library; and*~~

17 ~~*(4)(3) the amount of moneys received in the current year from*~~
 18 ~~*collections of unpaid local ad valorem tax levies for prior year expenses*~~
 19 ~~*for such library.*~~

20 *(c) Local public library districts in which the assessed valuation*
 21 *decreases shall remain eligible for state grants-in-aid so long as the ad*
 22 *valorem tax mill rate for the support of such library has not been*
 23 *reduced below the mill rate imposed for such purpose for the previous*
 24 *year.*

25 *(d) If a local public library fails to qualify for eligibility for any*
 26 *state grants-in-aid under subsection (b), the state librarian shall have*
 27 *the power to continue the eligibility of a local public library for any state*
 28 *grants-in-aid if the state librarian, after evaluation of all the*
 29 *circumstances, determines that the legislative intent for maintenance of*
 30 *local tax levy support for the on-going operations of the library is being*
 31 *met by the library district.*

32 *(e) The distribution so determined shall be apportioned and paid on*
 33 *February 15 of each year.*

34 ~~Section 1.~~ *Sec. 8.* K.S.A. 76-6b01 is hereby amended to read as
 35 follows: 76-6b01. (a) There is hereby levied ~~an annual permanent state tax~~
 36 *in the year-2023 2024 a state tax of 1 mill* upon all tangible property in this
 37 state ~~which that~~ is subject to ad valorem taxation. ~~The tax levy shall be .6~~
 38 ~~mill in the year 2003 and 1 mill in the year 2004 and each year thereafter~~
 39 ~~until changed by statute.~~ Such tax levy shall be in addition to all other state
 40 tax levies authorized by law. Such tax levy shall be for the use and benefit
 41 of the state institutions of higher education. The proceeds of such tax levy
 42 shall be apportioned in accordance with this act.

43 *(b) The county treasurer of each county shall make the proceeds of*

1 the tax levy provided for in this section available to the state treasurer
2 immediately upon collection. When available the state treasurer shall
3 withdraw from each county the proceeds of the taxes raised by such tax
4 levy. Upon such withdrawal the state treasurer shall deposit the same in the
5 state treasury and shall credit the same as provided in K.S.A. 76-6b02, *and*
6 *amendments thereto.*

7 ~~Sec.-2:~~ **9.** K.S.A. 76-6b02 is hereby amended to read as follows: 76-
8 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-6b01,
9 and amendments thereto, *and pursuant to subsection (c)* shall be credited
10 to the Kansas educational building fund to be used for the construction,
11 reconstruction, equipment and repair of buildings and grounds at the state
12 educational institutions under the control and supervision of the state
13 board of regents and for payment of debt service on revenue bonds issued
14 to finance such projects, all subject to appropriation by the legislature.

15 (b) Subject to any restrictions imposed by appropriation acts, the state
16 board of regents is authorized to pledge funds appropriated to it from the
17 Kansas educational building fund or from any other source and transferred
18 to a special revenue fund of the state board of regents specified by statute
19 for the payment of debt service on revenue bonds issued for the purposes
20 set forth in subsection (a). Subject to any restrictions imposed by
21 appropriation acts, the state board of regents is also authorized to pledge
22 any funds appropriated to it from the Kansas educational building fund or
23 from any other source and transferred to a special revenue fund of the state
24 board of regents specified by statute as a priority for the payment of debt
25 service on such revenue bonds. Neither the state or the state board of
26 regents shall have the power to pledge the faith and credit or taxing power
27 of the state of Kansas for such purposes and any payment by the state
28 board of regents for such purposes shall be subject to and dependent on
29 appropriations being made from time to time by the legislature. Any
30 obligation of the state board of regents for payment of debt service on
31 revenue bonds and any such revenue bonds issued for the purposes set
32 forth in subsection (a) shall not be considered a debt or obligation of the
33 state for the purpose of section 6 of article 11 of the constitution of the
34 state of Kansas.

35 (c) *On July 1, ~~2024~~ 2025, or as soon thereafter as moneys are*
36 *available, \$41,800,000 shall be transferred by the director of accounts*
37 *and reports from the state general fund to the Kansas educational building*
38 *fund. On July 1, ~~2025~~ 2026, and on July 1 each year thereafter, or as soon*
39 *thereafter as moneys are available, an amount equal to the amount*
40 *pursuant to this subsection for the immediately preceding year plus 2%*
41 *shall be transferred by the director of accounts and reports from the state*
42 *general fund to the Kansas educational building fund.*

43 ~~Sec.-3:~~ **10.** K.S.A. 76-6b04 is hereby amended to read as follows: 76-

1 6b04. (a) There is hereby levied ~~an annual permanent state tax in the year~~
2 ~~2023 2024~~ a state tax of 0.5 mill upon all tangible property in this state
3 ~~which that~~ is subject to ad valorem taxation. ~~The tax levy shall be .3 mill~~
4 ~~in the year 2003 and .5 mill in the year 2004 and each year thereafter until~~
5 ~~changed by statute.~~ The tax levy shall be in addition to all other state tax
6 levies authorized by law. The tax levy shall be for the use and benefit of
7 state institutions caring for persons who are mentally ill, retarded, visually
8 handicapped, with a handicapping hearing loss or tubercular or state
9 institutions caring for children who are deprived, wayward, miscreant,
10 delinquent, children in need of care or juvenile offenders and who are in
11 need of residential care or treatment, or institutions designed primarily to
12 provide vocational rehabilitation for handicapped persons. As used in this
13 section, "state institutions" shall include, but not be limited to, those
14 institutions under the authority of the commissioner of juvenile justice.
15 The proceeds of such tax levy shall be apportioned in accordance with this
16 act.

17 (b) The county treasurer of each county shall make the proceeds of
18 the tax levy provided for in this section available to the state treasurer
19 immediately upon collection. When available, the state treasurer shall
20 withdraw from each county the proceeds of the taxes raised by such tax
21 levy. Upon such withdrawal the state treasurer shall deposit the same in the
22 state treasury and shall credit the same as provided in K.S.A. 76-6b05, and
23 amendments thereto.

24 ~~Sec. 4. II.~~ K.S.A. 76-6b05 is hereby amended to read as follows: 76-
25 6b05. (a) All moneys received by the state treasurer under K.S.A. 76-6b04,
26 and amendments thereto, *and pursuant to subsection (e)* shall be credited
27 to the state institutions building fund, which is hereby created in the state
28 treasury, to be used for the construction, reconstruction, equipment and
29 repair of buildings and grounds at institutions specified in K.S.A. 76-6b04,
30 and amendments thereto, and for payment of debt service on revenue
31 bonds issued to finance such projects, all subject to appropriation by the
32 legislature.

33 (b) Subject to any restrictions imposed by appropriation acts, the
34 juvenile justice authority is authorized to pledge funds appropriated to it
35 from the state institutions building fund or from any other source and
36 transferred to a special revenue fund of the juvenile justice authority
37 specified by statute for the payment of debt service on revenue bonds
38 issued for the purposes set forth in subsection (a). Subject to any
39 restrictions imposed by appropriation acts, the juvenile justice authority is
40 also authorized to pledge any funds appropriated to it from the state
41 institutions building fund or from any other source and transferred to a
42 special revenue fund of the juvenile justice authority specified by statute as
43 a priority for the payment of debt service on such revenue bonds. Neither

1 the state or the juvenile justice authority shall have the power to pledge the
2 faith and credit or taxing power of the state of Kansas for such purposes
3 and any payment by the juvenile justice authority for such purposes shall
4 be subject to and dependent on appropriations being made from time to
5 time by the legislature. Any obligation of the juvenile justice authority for
6 payment of debt service on revenue bonds and any such revenue bonds
7 issued for the purposes set forth in subsection (a) shall not be considered a
8 debt or obligation of the state for the purpose of section 6 of article 11 of
9 the constitution of the state of Kansas.

10 (c) Subject to any restrictions imposed by appropriation acts, the
11 Kansas department for aging and disability services is authorized to pledge
12 funds appropriated to it from the state institutions building fund or from
13 any other source and transferred to a special revenue fund of the Kansas
14 department for aging and disability services specified by statute for the
15 payment of debt service on revenue bonds issued for a new state security
16 hospital on the Larned state hospital grounds or any other capital
17 improvement projects at any other institution or facility of the Kansas
18 department for aging and disability services. Subject to any restrictions
19 imposed by appropriation acts, the Kansas department for aging and
20 disability services is also authorized to pledge any funds appropriated to it
21 from the state institutions building fund or from any other source and
22 transferred to a special revenue fund of the Kansas department for aging
23 and disability services specified by statute as a priority for the payment of
24 debt service on such revenue bonds. Neither the state or the Kansas
25 department for aging and disability services shall have the power to pledge
26 the faith and credit or taxing power of the state of Kansas for such
27 purposes and any payment by the Kansas department for aging and
28 disability services for such purposes shall be subject to and dependent on
29 appropriations being made from time to time by the legislature. Any
30 obligation of the Kansas department for aging and disability services for
31 payment of debt service on revenue bonds and any such revenue bonds
32 issued for a new state security hospital on the Larned state hospital
33 grounds or any other capital improvement projects at any other institution
34 or facility of the Kansas department for aging and disability services shall
35 not be considered a debt or obligation of the state for the purpose of
36 section 6 of article 11 of the constitution of the state of Kansas.

37 (d) Subject to any restrictions imposed by appropriation acts, the
38 director of the Kansas commission on veterans affairs office is authorized
39 to pledge funds appropriated to it from the state institutions building fund
40 or from any other source and transferred to a special revenue fund of the
41 Kansas commission on veterans affairs office specified by statute for the
42 payment of debt service on revenue bonds issued for veterans' home
43 HVAC system replacement. Subject to any restrictions imposed by

1 appropriation acts, the director of the Kansas commission on veterans
2 affairs office is also authorized to pledge any funds appropriated to it from
3 the state institutions building fund or from any other source and transferred
4 to a special revenue fund of the Kansas commission on veterans affairs
5 office specified by statute as a priority for the payment of debt service on
6 such revenue bonds. Neither the state nor the director of the Kansas
7 commission on veterans affairs office shall have the power to pledge the
8 faith and credit or taxing power of the state of Kansas for such purposes
9 and any payment by the Kansas commission on veterans affairs office for
10 such purposes shall be subject to and dependent on appropriations being
11 made from time to time by the legislature. Any obligation of the Kansas
12 commission on veterans affairs office for payment of debt service on
13 revenue bonds and any such revenue bonds issued for veterans' home
14 HVAC system replacement shall not be considered a debt or obligation of
15 the state for the purpose of section 6 of article 11 of the constitution of the
16 state of Kansas.

17 *(e) On July 1, ~~2024~~ 2025, or as soon thereafter as moneys are*
18 *available, \$20,900,000 shall be transferred by the director of accounts*
19 *and reports from the state general fund to the state institutions building*
20 *fund. On July 1, ~~2025~~ 2026, and on July 1 each year thereafter, or as soon*
21 *thereafter as moneys are available, an amount equal to the amount*
22 *pursuant to this subsection for the immediately preceding year plus 2%*
23 *shall be transferred by the director of accounts and reports from the state*
24 *general fund to the state institutions building fund.*

25 ~~Sec. 5-~~ **12.** K.S.A. 76-6b11 is hereby amended to read as follows: 76-
26 6b11. (a) ~~Except as provided in subsection (e),~~ On July 1 of each year, the
27 director of accounts and reports shall record a debit to the state treasurer's
28 receivables for the Kansas educational building fund, the state institutions
29 building fund and the state general fund and shall record a corresponding
30 credit to each such fund in an amount equal to 95% of the amount credited
31 respectively to each such fund during the immediately preceding fiscal
32 year, except that such amount shall be proportionally adjusted with respect
33 to any such fund in any fiscal year for any change in the tax levy rate for
34 any such fund.

35 (b) All taxes received by the state treasurer under K.S.A. 76-6b01-
36 ~~and 76-6b04 and section 15 [L. 2003, ch. 146, § 15], and amendments~~
37 ~~thereto, and the provisions of section 15 of chapter 146 of the ~~2023~~ 2003~~
38 ~~Session Laws of Kansas~~ during the current fiscal year shall be deposited in
39 the state treasury to the credit of the Kansas educational building fund, the
40 state institutions building fund and the state general fund, respectively, and
41 shall reduce the amount debited and credited to such funds under
42 subsection (a).

43 (c) On June 30 of each year, the director of accounts and reports shall

1 adjust the amounts debited and credited to the state treasurer's receivables
2 and to the Kansas educational building fund, the state institutions building
3 fund and the state general fund pursuant to this section, to reflect the taxes
4 actually received by the state treasurer and deposited during the fiscal year
5 in the state treasury to the credit of each such fund.

6 (d) The director of accounts and reports shall notify the state treasurer
7 of all amounts debited and credited to the Kansas educational building
8 fund, the state institutions building fund and the state general fund
9 pursuant to this section and all reductions and adjustments thereto made
10 pursuant to this section. The state treasurer shall enter all such amounts
11 debited and credited and shall make reductions and adjustments thereto on
12 the books and records kept and maintained for such funds by the state
13 treasurer in accordance with the notice thereof.

14 ~~(e) On October 1, 2003, the director of accounts and reports shall~~
15 ~~make such adjustments and amendments as may be required to reflect and~~
16 ~~account for the property tax imposed by K.S.A. 79-2976 as if such tax had~~
17 ~~been in effect on July 1, 2003. The provisions of this section shall expire~~
18 ~~on June 30, 2024 2025.~~

19 ***Sec. 13. K.S.A. 79-1479 is hereby amended to read as follows: 79-***
20 ***1479. (a) On or before January 15, 1992, and quarterly thereafter, the***
21 ***county or district appraiser shall submit to the director of property***
22 ***valuation a progress report indicating actions taken during the***
23 ***preceding quarter calendar year to implement the appraisal of property***
24 ***in the county or district. Whenever the director of property valuation***
25 ***shall determine that any county has failed, neglected or refused to***
26 ***properly provide for the appraisal of property or the updating of the***
27 ***appraisals on an annual basis in substantial compliance with the***
28 ***provisions of law and the guidelines and timetables prescribed by the***
29 ***director, the director shall file with the state board of tax appeals a***
30 ***complaint stating the facts upon which the director has made the***
31 ***determination of noncompliance as provided by K.S.A. 79-1413a, and***
32 ***amendments thereto. If, as a result of such proceeding, the state board***
33 ***of tax appeals finds that the county is not in substantial compliance with***
34 ***the provisions of law and the guidelines and timetables of the director of***
35 ***property valuation providing for the appraisal of all property in the***
36 ***county or the updating of the appraisals on an annual basis, it shall***
37 ***order the immediate assumption of the duties of the office of county***
38 ***appraiser by the director of the division of property valuation until such***
39 ***time as the director of property valuation determines that the county is in***
40 ***substantial compliance with the provisions of law.*** ~~In addition, the board~~
41 ~~shall order the state treasurer to withhold all or a portion of the county's~~
42 ~~entitlement to moneys from either or both of the local ad valorem tax~~
43 ~~reduction fund and the city and county revenue sharing fund for the year~~

1 following the year in which the order is issued. *Upon service of any such*
2 *order on the board of county commissioners, the appraiser shall*
3 *immediately deliver to the director of property valuation, or the*
4 *director's designee, all books, records and papers pertaining to the*
5 *appraiser's office.*

6 *Any county for which the director of the division of property*
7 *valuation is ordered by the state board of tax appeals to assume the*
8 *responsibility and duties of the office of county appraiser shall*
9 *reimburse the state for the actual costs incurred by the director of the*
10 *division of property valuation in the assumption and carrying out of*
11 *such responsibility and duties, including any contracting costs in the*
12 *event it is necessary for the director of property valuation to contract*
13 *with private appraisal firms to carry out such responsibilities and duties.*

14 *(b) On or before June 1 of each year, the director of property*
15 *valuation shall review the appraisal of property in each county or district*
16 *to determine if property within the county or district is being appraised*
17 *or valued in accordance with the requirements of law. If the director*
18 *determines the property in any county or district is not being appraised*
19 *in accordance with the requirements of law, the director of property*
20 *valuation shall notify the county or district appraiser and the board of*
21 *county commissioners of any county or counties affected that the county*
22 *has 30 days within which to submit to the director a plan for bringing*
23 *the appraisal of property within the county into compliance.*

24 *If a plan is submitted and approved by the director the county or*
25 *district shall proceed to implement the plan as submitted. The director*
26 *shall continue to monitor the program to insure that the plan is*
27 *implemented as submitted. If no plan is submitted or if the director does*
28 *not approve the plan, the director shall petition the state board of tax*
29 *appeals for a review of the plan or, if no plan is submitted, for authority*
30 *for the division of property valuation to assume control of the appraisal*
31 *program of the county and to proceed to bring the same into compliance*
32 *with the requirements of law.*

33 *If the state board of tax appeals approves the plan, the county or*
34 *district appraiser shall proceed to implement the plan as submitted. If no*
35 *plan has been submitted or the plan submitted is not approved, the board*
36 *shall fix a time within which the county may submit a plan or an*
37 *amended plan for approval. If no plan is submitted and approved within*
38 *the time prescribed by the board, the board shall order the division of*
39 *property valuation to assume control of the appraisal program of the*
40 *county and shall certify its order to the state treasurer who shall withhold*
41 *distributions of the county's share of moneys from the county and city*
42 *revenue sharing fund and the local ad valorem tax reduction fund and*
43 *credit the same to the general fund of the state for the year following the*

1 year in which the board's order is made. *The director of property*
2 *valuation shall certify the amount of the cost incurred by the division in*
3 *bringing the program in compliance to the state board of tax appeals.*
4 *The board shall order the county commissioners to reimburse the state*
5 *for such costs.*

6 *(c) The state board of tax appeals shall within 60 days after the*
7 *publication of the Kansas assessment/sales ratio study review such*
8 *publication to determine county compliance with K.S.A. 79-1439, and*
9 *amendments thereto. If in the determination of the board one or more*
10 *counties are not in substantial compliance and the director of property*
11 *valuation has not acted under subsection (b), the board shall order the*
12 *director of property valuation to take such corrective action as is*
13 *necessary or to show cause for noncompliance.*

14 ~~Sec. 6. 14. K.S.A. 19-2694, 65-163j, 65-3306, 65-3327, 75-2556, 76-~~
15 ~~6b01, 76-6b02, 76-6b04, 76-6b05 and, 76-6b11, 79-1479, 79-2960, 79-~~
16 ~~2961, 79-2962, 79-2965, 79-2966 and 79-2967 and K.S.A. 2023 Supp.~~
17 ~~74-8768, 79-2959, 79-2964 and 79-3425i~~ are hereby repealed.

18 ~~Sec. 7. 15.~~ This act shall take effect and be in force from and after its
19 publication in the statute book.