

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 94

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 94, as amended, would eliminate, beginning in tax year 2025, the statewide mill levies of 1.0 mills for state educational buildings and 0.5 mills for state institutions buildings and would create, beginning in fiscal year (FY) 2026, revenue transfers from the State General Fund (SGF) to the Kansas Educational Building Fund (EBF) and to the State Institutions Building Fund (SIBF).

The transfer amounts would be set at \$41.8 million to the EBF and \$20.9 million to the SIBF in FY 2026 and would be scheduled to increase by 2.0 percent in each future year.

The bill would also abolish the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the City County Revenue Sharing Fund (CCRSF) and eliminate statutory transfers from the SGF to the LAVTRF, CCRSF, and the Special City County Highway Fund. All moneys and liabilities of the LAVTRF and CCRSF would be transferred to the SGF.

[*Note:* The Special City County Highway Fund, which also receives revenue from motor fuels taxes, would not be abolished by the bill.]

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Peck.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Senator Peck, stating the bill would provide property tax relief for all Kansas property owners and replace revenue to building funds with SGF transfers. Written-only proponent testimony was provided by a representative of the Kansas Association of Realtors.

Opponent testimony was provided by a representative of the State Board of Regents, stating the bill would reduce the stability and certainty of the revenue for the EBF, and the transfer amounts would not replace all lost tax revenue. Written-only opponent testimony was provided by representatives of the American Council of Engineering Companies of Kansas, Associated General Contractors of Kansas, and University Contractors Association of Kansas.

No other testimony was provided.

On January 9, 2024, the bill was withdrawn from the Senate Calendar and re-referred to the Senate Committee on Assessment and Taxation. Following discussion on March 11, 2024, the Senate Committee amended the bill to delay the elimination of the state building fund mill levies and implementation of SGF transfers by one year and to include the provisions abolishing the LAVTRF and CCRSF and eliminating SGF transfers to the LAVTRF, CCRSF, and Special City County Highway Fund.

Fiscal Information

A fiscal note on the amended bill was not immediately available.

Taxation; property tax; statewide mill levies; transfers; Educational Building Fund, State Institutions Building Fund; Local Ad Valorem Tax Reduction Fund; City County Revenue Sharing Fund