REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Taxation** recommends **HB 2745** be amended on page 1, in line 12, by striking all after "(1)"; by striking all in lines 13 through 35;

On page 2, by striking all in lines 1 through 13 and inserting "Except as otherwise provided in paragraph (2), whenever the governing body of any taxing jurisdiction adopts a resolution approving an appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b), the governing body shall publish the resolution in a newspaper of general circulation. Such resolution shall state:

(A)   That the governing body has adopted a budget exceeding the property tax funding limit established in subsection (b);

(B)   the maximum amount of ad valorem tax revenues authorized by the adopted budget;

(C)   the dollar amount and percentage by which such revenues exceed the limit;

(D)   the tax year to which the budget applies; and

(E)   that electors of the taxing jurisdiction may file a protest petition in accordance with this section within 30 days following publication of the notice.

(2)   The governing body shall notify the county clerk at the time of publication of the resolution. The county clerk shall transmit the resolution to the county treasurer for purposes of making protest petitions available pursuant to paragraph (3).

(3)   The county clerk shall notify the county treasurer of all taxing jurisdictions that approve any appropriation or budget providing for funding by property tax revenues in excess of the amount provided in subsection (b). The county treasurer shall post notice on the county

website if one exists, any social media maintained by such office and in the county treasurer's office stating whether protest petitions are available for any taxing jurisdiction within the county and shall make available during regular business hours a copy of each protest petition, including the signature page. The requirements of K.S.A. 25-3602, and amendments thereto, relating to filing petitions at one time and circulator requirements shall not apply to protest petitions maintained under this paragraph.

(4)   The director of accounts and reports shall design and publish a standard protest petition form. Only petitions issued or approved by the county clerk for the applicable taxing jurisdiction shall be valid. The county clerk shall provide one petition form free of charge to each person that requests a single form in person and may charge for multiple copies requested by one person or any mailing of requested petitions. The county clerk may provide a version of the form for printing on the county website, any social media maintained by such office or by email.

(5)   Each petition shall include, in a conspicuous location on each signature page:

(A)   The maximum amount of ad valorem tax revenues authorized by the adopted budget;

(B)   the dollar amount and percentage by which such revenues exceed the limit;

(C)   the tax year to which the budget applies;

(D)   a statement that a sufficient petition will require the taxing jurisdiction to revert to the maximum funding level permitted under subsection (b); and

(E)   the date when the petition must be returned to be considered a valid petition.

(6)   If a protest petition signed by not less than 10% of the qualified electors of the votes cast for the office of president of the United States of the taxing jurisdiction as of the date of the budget adoption, is filed with the county clerk within 30 days following publication of the resolution, the budget providing for property tax revenues in excess of subsection (b) shall be deemed disapproved and the taxing jurisdiction shall revert to the maximum funding level

permitted under subsection (b).

(7)   The county clerk shall determine petition sufficiency within seven days of filing or if such date falls on a Saturday, Sunday or holiday, then the next day that is not a Saturday, Sunday or holiday. Upon certification of a sufficient petition, the governing body shall adopt a final adjusted budget not in excess of the amount provided in subsection (b) within seven days.

(8)   The initial adoption of any budget subject to protest under this subsection shall occur not later than August 15, and all actions required under this subsection, including verification and final adoption, shall be completed not later than October 1.

(9)   If the petition is found insufficient, the taxing jurisdiction may proceed with the budget as adopted.";

Also on page 2, in line 14, by striking "(4)" and inserting "(10)"; in line 18, by striking "Except as provided in subsection (a),"; also in line 18, by striking all after "jurisdiction"; in line 19, by striking ", which" and inserting "pursuant to subsection (a),"; also in line 19, by striking "be calculated" and inserting "calculate such taxing jurisdiction's budget"; in line 31, by striking all after the first "property"; in line 32, by striking all before the semicolon; also in line 32, by striking "and"; in line 33, by striking all after "that"; by striking all in line 34; in line 35, by striking all before the period and inserting ", in the current year, are produced and attributable to the taxation of:

(A)   Real property located within added jurisdictional territory;

(B)   real property that has changed in use;

(C)   expiration of any abatement of property from property tax; or

(D)   expiration of a tax increment financing district, rural housing incentive district, neighborhood revitalization area or any other similar property tax rebate or redirection program; and

(4)   increased property tax revenues that will be spent on bond, temporary notes, no fund warrants, state infrastructure loans and interest payments not exceeding the amount of ad valorem property taxes levied in support of such payments and payments made to a public building commission and lease payments but only to the extent such payments were obligations that existed prior to July 1, 2026";

Also on page 2, in line 36, by striking all after "to"; in line 37, by striking all before "a";

On page 3, in line 16, by striking all after the period; by striking all in lines 17 through 19; in line 22, after "(d)" by inserting "The amount apportioned to each county shall be distributed to the county and all other taxing jurisdictions contained therein except school districts based on the ratio of the property taxes levied by the taxing jurisdictions. On or before October 15, the county clerk shall calculate the apportionment and notify the county treasurer and each eligible taxing jurisdiction of the distribution amount. On or before November 1, the county treasurer shall notify the state treasurer of the distribution sum of all eligible taxing jurisdictions. The distribution shall be paid to the county and the county treasurer shall redistribute to each taxing jurisdiction if eligible for distribution pursuant to subsection (f) who shall upon receipt of the moneys deposit the same in their respective general funds.

(e) The county and each taxing jurisdiction contained therein except school districts, if eligible pursuant to subsection (f), shall receive a proportion of such apportionment. The state treasurer shall send notice to each county clerk by August 1 of the total county distribution amount from the property tax relief fund.

(f)";

Also on page 3, also in line 22, by striking "county" and inserting "taxing jurisdiction"; in line 23, by striking "county held an election pursuant to section 1" and inserting "taxing jurisdiction attempted to exceed the property tax limit in section 1(b)"; in line 24, by striking

"county" and inserting "taxing jurisdiction"; in line 28, by striking "county's" and inserting "taxing jurisdiction's"; in line 33, by striking "(e)" and inserting "(g)"; in line 35, by striking "(c)" and inserting "(d) for all eligible taxing jurisdictions contained in the county. The county treasurer shall transfer the funds to the eligible taxing jurisdictions as provided in subsection (d)"; also in line 35, by striking "county" and inserting "taxing jurisdiction"; in line 38, by striking "county" and inserting "taxing jurisdiction"; in line 39, by striking "county" and inserting "taxing jurisdiction"; in line 43, by striking "county" and inserting "taxing jurisdiction";

On page 4, in line 5, by striking "counties" and inserting "taxing jurisdictions"; in line 7, by striking "counties" and inserting "taxing jurisdictions";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 7, in line 5, by striking all after the period; by striking all in lines 6 and 7; in line 8, by striking all before "Although";

On page 1, in the title, in line 2, by striking all after the semicolon and inserting "providing for a protest petition to contest"; in line 3, by striking "for the next year"; in line 4, by striking "counties" and inserting "taxing jurisdictions"; in line 7, by striking "subdivisions" and inserting "jurisdictions"; and the bill be passed as amended.

_____Chairperson