

As Amended by House Committee

Session of 2025

HOUSE BILL No. 2396

By Committee on Taxation

Requested by Representative A. Smith

2-27

AN ACT concerning property taxation; relating to property tax revenues of taxing jurisdictions; authorizing the use of a protest petition to limit funding of a taxing jurisdiction by property tax revenues above a certain amount; establishing the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund and authorizing certain transfers from the state general fund to qualifying cities and counties; **requiring reporting by the state treasurer of the cities and counties that receive transfers**; eliminating the revenue neutral rate requirements by taxing subdivisions and the taxpayer notification costs fund; amending K.S.A. 2024 Supp. 72-5137, 79-1801 and 79-2929 and repealing the existing sections; also repealing K.S.A. 2024 Supp. 79-2988 and 79-2989.

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

New Section 1. (a) (1) The governing body of any taxing jurisdiction that approves any appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b) may have such appropriation or budget subject to a protest petition and a reduction in the amount of property tax revenues allowed to be levied by the taxing jurisdiction. A protest petition contesting the increase in property tax revenues for the taxing jurisdiction may be submitted to the county clerk within 30 days, or the next business day after if the 30th day falls on a weekend or county holiday, following the date that the governing body of a taxing jurisdiction certifies to the county clerk the amount of ad valorem tax to be levied pursuant to K.S.A. 79-1801, and amendments thereto. If a taxing jurisdiction fails to timely certify the amount of ad valorem tax to be levied pursuant to K.S.A. 79-1801, and amendments thereto, the taxing jurisdiction shall be limited to funding by property tax revenues at the maximum amount provided in subsection (b).

(2) The county clerk shall notify the county treasurer of all taxing jurisdictions that approve any appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b). The county treasurer's office shall post on ~~its~~ **the county website and social media**, if such website **or social media** exists, and post in the county treasurer's office whether any protest petitions are available

1 for any taxing jurisdiction within the county. The county treasurer shall
2 also make available in the county treasurer's office during business hours a
3 copy of each protest petition with the signature page in order to obtain
4 signatures. The requirements set forth in K.S.A. 25-3602, and amendments
5 thereto, relating to the filing of petitions at one time all in one group and
6 the petition circulator and signature requirements shall not apply to protest
7 petitions maintained by a county treasurer. **The director of accounts and**
8 **reports shall design, revise and publish on the website of the**
9 **department of administration a standard protest petition form**
10 **pursuant to the provisions of this section and K.S.A. 25-3602, and**
11 **amendments thereto.** In the event that a protest petition is signed by at
12 least 10% of the qualified voters of the votes cast for the office of ~~secretary~~
13 ~~of state~~ **president of the United States** at the last general election in such
14 taxing jurisdiction, and is filed within 30 days with the county clerk of the
15 county, the taxing jurisdiction shall be limited to funding by property tax
16 revenues at the maximum amount provided in subsection (b). Upon the
17 finding that a petition protesting the increase in funding by property tax
18 revenues was signed by less than the required number of voters, the taxing
19 jurisdiction shall proceed with the increases in funding by property tax
20 revenues. The provisions of this subsection shall not apply in the event the
21 transfer provided in section 2(b), and amendments thereto, is not provided.

22 (b) A taxing jurisdiction shall be limited in its budget to a total
23 amount of ad valorem tax to be levied in an amount that is equal to or less
24 than the total amount of ad valorem tax levied for the preceding tax year,
25 increased by an amount that is equal to or less than such ad valorem tax
26 when the following are included:

27 (1) An increase of not more than the amount of the annual percentage
28 of consumer price index for all urban consumers in the midwest region as
29 published by the bureau of labor statistics of the United States department
30 of labor multiplied by the total amount of ad valorem tax levied for the
31 preceding tax year; ~~and~~

32 (2) increased property tax revenues that, in the current year, are
33 produced and attributable to the taxation of the construction of any new
34 structures or improvements or the remodeling or renovation of any
35 existing structures or improvements on real property, excluding any
36 ordinary maintenance or repair of any existing structures or improvements
37 on the property. The director of property valuation shall provide to the
38 state treasurer any information required under this paragraph; **and**

39 **(3) increased property tax revenues that are dedicated to paying**
40 **off a bond issuance that was approved by a vote of the electors at an**
41 **election held on and after July 1, 2025.**

42 (c) The provisions of this section shall not apply to the state of
43 Kansas or a school district.

1 New Sec. 2. (a) There is hereby created the acknowledging
2 stewardship of tax revenue and appropriations (ASTRA) fund. All moneys
3 transferred or credited to such fund under the provisions of this act or any
4 other law shall be apportioned and distributed in the manner provided
5 herein.

6 (b) On July 15 of each year, or as soon thereafter as moneys are
7 available, \$60,000,000 shall be transferred by the director of accounts and
8 reports from the state general fund to the acknowledging stewardship of
9 tax revenue and appropriations (ASTRA) fund. All transfers made in
10 accordance with the provisions of this section shall be considered to be
11 demand transfers from the state general fund. Commencing with the
12 transfer on July 15, 2026, the amount to be transferred pursuant to this
13 subsection shall be increased by 2% from the prior year's transfer.

14 (c) The state treasurer shall calculate the apportionment for each
15 county based on the following: (1) 65% of the amount to be distributed
16 shall be apportioned on the basis of the population figures of the counties
17 certified to the secretary of state pursuant to K.S.A. 11-201, and
18 amendments thereto, on July 1 of the preceding year; and (2) 35% of such
19 amount shall be apportioned on the basis of the equalized assessed tangible
20 valuations on the tax rolls of the counties on November 1 of the preceding
21 year as certified by the director of property valuation. The county and each
22 city contained therein, if eligible pursuant to subsection (d), shall receive a
23 proportion of such apportionment based on the ratio of the property taxes
24 levied of the county and the property taxes levied of any cities located
25 within the county. The state treasurer shall send notice to every county and
26 city by August 1 with the maximum amount of ad valorem tax to be levied
27 to qualify pursuant to section 1(b), and amendments thereto, and the
28 amount of payment from the acknowledging stewardship of tax revenue
29 and appropriations (ASTRA) fund. The director of property valuation shall
30 provide to the state treasurer any information required under this
31 paragraph.

32 (d) The director of property valuation shall certify to the state
33 treasurer on or before November 15, the amount of ad valorem tax to be
34 levied pursuant to K.S.A. 79-1801, and amendments thereto, whether the
35 county's or any city's budget provides for a total amount of ad valorem tax
36 to be levied in an amount that is less than or equal to the amount of ad
37 valorem tax levied for the preceding year increased by an amount that is
38 equal to or less than the amount provided in section 1(b), and amendments
39 thereto.

40 (e) On or before January 15th following the transfer provided in
41 subsection (b), the state treasurer shall pay the amount specified in
42 subsection (c) to each eligible county and city. Such funds shall only be
43 used for services, including, but not limited to, roads and bridges, law

1 enforcement, elections, public health and safety or any other services
2 mandated by law

3 (f) If it is determined a county or city received payment and was not
4 entitled to the payment, the county or city shall return or remit such
5 payment to the state treasurer. Upon receipt of each such remittance, the
6 state treasurer shall deposit the entire amount in the state treasury to the
7 credit of the state general fund.

8 (g) Any amounts that are not transferred because a city or county did
9 not comply with the provisions of this act shall be deposited by the state
10 treasurer in the state treasury to the credit of the state general fund.

11 **(h) The state treasurer shall provide to the house committee on**
12 **taxation and the senate committee on assessment and taxation on or**
13 **before January 31 of each year the list of cities and counties that**
14 **received a transfer from the acknowledging stewardship of tax**
15 **revenue and appropriations (ASTRA) fund and a list of those cities**
16 **and counties that did not receive a transfer.**

17 Sec. 3. K.S.A. 2024 Supp. 72-5137 is hereby amended to read as
18 follows: 72-5137. On or before October 10 of each school year, the clerk
19 or superintendent of each school district shall certify under oath to the
20 state board a report showing the total enrollment of the school district by
21 grades maintained in the schools of the school district and such other
22 reports as the state board may require. Each such report shall show
23 postsecondary education enrollment, career technical education
24 enrollment, special education enrollment, bilingual education enrollment,
25 at-risk student enrollment and virtual school enrollment in such detail and
26 form as is specified by the state board. Upon receipt of such reports, the
27 state board shall examine the reports and if the state board finds any errors
28 in any such report, the state board shall consult with the school district
29 officer furnishing the report and make any necessary corrections in the
30 report. On or before August 25 of each year, each such clerk or
31 superintendent shall also certify to the state board a copy of the budget
32 adopted by the school district, ~~except when a school district must conduct~~
33 ~~a public hearing to approve exceeding the revenue neutral rate under~~
34 ~~K.S.A. 2024 Supp. 79-2988, and amendments thereto, a copy of such~~
35 ~~budget shall be certified to the state board on or before September 20.~~

36 Sec. 4. K.S.A. 2024 Supp. 79-1801 is hereby amended to read as
37 follows: 79-1801. (a) Except as provided by subsection (b), each year the
38 governing body of any city, the trustees of any township, the board of
39 education of any school district and the governing bodies of all other
40 taxing subdivisions shall certify, on or before August 25, to the proper
41 county clerk the amount of ad valorem tax to be levied. Thereupon, the
42 county clerk shall place the tax upon the tax roll of the county, in the
43 manner prescribed by law, and the tax shall be collected by the county

1 treasurer. The county treasurer shall distribute the proceeds of the taxes
2 levied by each taxing subdivision in the manner provided by K.S.A. 12-
3 1678a, and amendments thereto.

4 (b) ~~Prior to January 1, 2021, if the governing body of a city or county~~
5 ~~must conduct an election for an increase in property tax to fund any~~
6 ~~appropriation or budget under K.S.A. 25-433a, and amendments thereto,~~
7 ~~the governing body of the city or county shall certify, on or before October~~
8 ~~1, to the proper county clerk the amount of ad valorem tax to be levied. On~~
9 ~~and after January 1, 2021 2025, if the governing body of a taxing~~
10 ~~subdivision must conduct a public hearing to approve exceeding the~~
11 ~~revenue neutral rate amend its budget pursuant to a successful protest~~
12 ~~petition under K.S.A. 2024 Supp. 79-2988 section 1, and amendments~~
13 ~~thereto, the governing body of the taxing subdivision shall certify, on or~~
14 ~~before October 1, to the proper county clerk the amount of ad valorem tax~~
15 ~~to be levied.~~

16 Sec. 5. K.S.A. 2024 Supp. 79-2929 is hereby amended to read as
17 follows: 79-2929. Prior to the filing of the adopted budget with the county
18 clerk, the governing body of each taxing or political subdivision or
19 municipality shall meet for the purpose of answering and hearing
20 objections of taxpayers relating to the proposed budget and for the purpose
21 of considering amendments to such proposed budget. The governing body
22 shall give at least 10 days' notice of the time and place of the meeting by
23 publication in a weekly or daily newspaper of the county having a general
24 circulation therein. Such notice shall include the proposed budget and shall
25 set out all essential items in the budget except such groupings as
26 designated by the director of accounts and reports on a special publication
27 form prescribed by the director of accounts and reports and furnished with
28 the regular budget form. ~~Such form shall also include the revenue neutral~~
29 ~~rate as provided in K.S.A. 2024 Supp. 79-2988, and amendments thereto.~~
30 The notice of a governing body of any taxing subdivision or municipality
31 having an annual expenditure of \$500 or less shall specify the time and
32 place of the meeting required by this section but shall not be required to
33 include the proposed budget of such taxing subdivision or municipality.

34 Sec. 6. K.S.A. 2024 Supp. 72-5137, 79-1801, 79-2929, 79-2988 and
35 79-2989 are hereby repealed.

36 Sec. 7. This act shall take effect and be in force from and after its
37 publication in the statute book.