

As Amended by House Committee

Session of 2026

HOUSE BILL No. 2745

By Committee on Taxation

Requested by Representative A. Smith

2-6

1 AN ACT concerning property taxation; relating to property tax revenues of  
2 taxing jurisdictions; ~~requiring a vote of the electors to approve~~  
3 **providing for a protest petition to contest** increases in property tax  
4 revenues ~~for the next year~~; establishing the property tax relief fund;  
5 providing transfers to ~~counties~~ **taxing jurisdictions** that limit property  
6 taxes to certain increases; establishing the property tax limit in lieu of  
7 the revenue neutral rate to provide for certain budget increases of  
8 taxing ~~subdivisions~~ **jurisdictions**; continuing in existence the taxpayer  
9 notification costs fund; amending K.S.A. 2025 Supp. 72-5137, 79-  
10 2929, 79-2988 and 79-2989 and repealing the existing sections.

11

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

13 New Section 1. (a) (1) ~~Except as otherwise provided in paragraph (2),~~  
14 ~~the governing body of any taxing jurisdiction that seeks to exceed the~~  
15 ~~funding by property tax revenues in excess of the amount provided in~~  
16 ~~subsection (b) for any appropriation or budget shall be required to obtain~~  
17 ~~approval from the electors of the taxing jurisdiction at an election for the~~  
18 ~~year prior to the year that such budget is adopted. The taxing jurisdiction~~  
19 ~~shall submit to the electors the maximum amount of ad valorem tax and~~  
20 ~~the percentage increase it represents that the taxing jurisdiction seeks to~~  
21 ~~levy for the next year and shall notify the county clerk of the intent to~~  
22 ~~request approval from the electors at a primary election or general election~~  
23 ~~or at a special election called and held for such purpose. Any such special~~  
24 ~~election shall be called, noticed and held in accordance with the provisions~~  
25 ~~of K.S.A. 10-120, and amendments thereto. The following shall appear on~~  
26 ~~the ballot for any taxing jurisdiction subject to this paragraph:~~

27 "Shall \_\_\_\_\_ (Here insert taxing jurisdiction) be allowed to  
28 exceed the property tax limit of \$ \_\_\_\_\_ (Here insert taxing  
29 jurisdiction's property tax limit) by not more than \$ \_\_\_\_\_ or a  
30 percentage property tax limit increase from the prior year of \_\_\_\_\_% for tax  
31 year \_\_\_\_\_?"

32 (2) ~~If the electors approve the increase in property tax revenues~~  
33 ~~pursuant to paragraph (1), the taxing jurisdiction may levy up to the~~  
34 ~~amount of ad valorem tax as approved by the electors. In no event shall the~~  
35 ~~taxing jurisdiction levy an ad valorem tax that exceeds the maximum~~

1 amount approved by the electors. The taxing jurisdiction may levy an  
2 amount of ad valorem tax that is less than the amount approved by the  
3 electors. The approval to exceed the amount provided in subsection (b)  
4 shall only apply for the year following the election. Any attempts to  
5 increase successive years beyond the following year of the election shall  
6 be invalid and have no effect. If the electors reject the increase in property  
7 tax revenue pursuant to paragraph (1), the taxing jurisdiction shall be  
8 limited to funding by property tax revenues at the maximum amount  
9 provided in subsection (b).

10 (3) For calendar year 2026 only, any taxing jurisdiction seeking to  
11 increase the property tax revenues for the current year in excess of the  
12 amount provided in subsection (b) shall request approval from the electors  
13 at the primary election held in accordance with article 2 of chapter 25 of  
14 the Kansas Statutes Annotated, and amendments thereto. Except as  
15 otherwise provided in paragraph (2), whenever the governing body of  
16 any taxing jurisdiction adopts a resolution approving an  
17 appropriation or budget that provides for funding by property tax  
18 revenues in excess of the amount provided in subsection (b), the  
19 governing body shall publish the resolution in a newspaper of general  
20 circulation. Such resolution shall state:

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

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

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

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

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

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

35 (3) The county clerk shall notify the county treasurer of all taxing  
36 jurisdictions that approve any appropriation or budget providing for  
37 funding by property tax revenues in excess of the amount provided in  
38 subsection (b). The county treasurer shall post notice on the county  
39 website if one exists, any social media maintained by such office and in  
40 the county treasurer's office stating whether protest petitions are  
41 available for any taxing jurisdiction within the county and shall make  
42 available during regular business hours a copy of each protest  
43 petition, including the signature page. The requirements of K.S.A. 25-

1 3602, and amendments thereto, relating to filing petitions at one time  
2 and circulator requirements shall not apply to protest petitions  
3 maintained under this paragraph.

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

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

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

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

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

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

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

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

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

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

43 (9) If the petition is found insufficient, the taxing jurisdiction may

1 **proceed with the budget as adopted.**

2 ~~(4)(10)~~ The provisions of this section shall not apply in the event that  
 3 the transfer provided in section 2(b), and amendments thereto, is not  
 4 provided. The provisions of this section shall apply thereafter once a  
 5 transfer is subsequently provided.

6 ~~(b) Except as provided in subsection (a),~~ A taxing jurisdiction shall be  
 7 limited in its budget to the property tax limit, ~~which~~ **pursuant to**  
 8 **subsection (a), shall be calculated calculate such taxing jurisdiction's**  
 9 **budget** as a total amount of ad valorem tax to be levied in an amount that  
 10 is equal to or less than the total amount of ad valorem tax levied for the  
 11 preceding tax year, increased by an amount that is equal to or less than  
 12 such ad valorem tax if the following are included:

13 (1) An increase of not more than 3% multiplied by the total amount  
 14 of ad valorem tax levied for the preceding tax year;

15 (2) increased property tax revenues that, in the current year, are  
 16 produced and attributable to the taxation of the construction of any new  
 17 structures or improvements or the remodeling or renovation of any  
 18 existing structures or improvements on real property, excluding any  
 19 ordinary maintenance or repair of any existing structures or improvements  
 20 on the property. ~~The director of property valuation shall provide to each~~  
 21 ~~county clerk any information required under this paragraph; and~~

22 (3) increased property tax revenues that are dedicated to paying off a  
 23 bond issuance that was approved by a vote of the electors at an election  
 24 held on or after July 1, 2026, in the current year, are produced and  
 25 attributable to the taxation of:

- 26 (A) Real property located within added jurisdictional territory;
  - 27 (B) real property that has changed in use;
  - 28 (C) expiration of any abatement of property from property tax;
- 29 or

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

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

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

41 New Sec. 2. (a) There is hereby created the property tax relief fund.  
 42 All moneys transferred or credited to such fund under the provisions of  
 43 this act or any other law shall be apportioned and distributed in the manner

1 provided in this section.

2 (b) On July 15 of each year, or as soon thereafter as moneys are  
3 available, \$60,000,000 shall be transferred by the director of accounts and  
4 reports from the state general fund to the property tax relief fund. All  
5 transfers made in accordance with the provisions of this section shall be  
6 considered to be demand transfers from the state general fund.  
7 Commencing with the transfer on July 15, 2027, the amount to be  
8 transferred pursuant to this subsection shall be increased by 2% from the  
9 prior year's transfer.

10 (c) The state treasurer shall calculate the apportionment for each  
11 county based on the following: (1) 20% of the amount to be distributed  
12 shall be apportioned equally among all the counties; (2) 40% of the  
13 amount to be distributed shall be apportioned on the basis of the  
14 population figures of the counties certified to the secretary of state  
15 pursuant to K.S.A. 11-201, and amendments thereto, on July 1 of the  
16 preceding year; and (3) 40% of the amount to be distributed shall be  
17 apportioned on the basis of the equalized assessed tangible valuations on  
18 the tax rolls of the counties on November 1 of the preceding year as  
19 certified by the director of property valuation. ~~The county, if eligible~~  
20 ~~pursuant to subsection (d), shall receive a proportion of such~~  
21 ~~apportionment. The state treasurer shall send notice to every county by~~  
22 ~~August 1 with the amount of payment from the property tax relief fund.~~  
23 The director of property valuation shall provide to the state treasurer any  
24 information required under this subsection.

25 (d) **The amount apportioned to each county shall be distributed**  
26 **to the county and all other taxing jurisdictions contained therein**  
27 **except school districts based on the ratio of the property taxes levied**  
28 **by the taxing jurisdictions. On or before October 15, the county clerk**  
29 **shall calculate the apportionment and notify the county treasurer and**  
30 **each eligible taxing jurisdiction of the distribution amount. On or**  
31 **before November 1, the county treasurer shall notify the state**  
32 **treasurer of the distribution sum of all eligible taxing jurisdictions.**  
33 **The distribution shall be paid to the county and the county treasurer**  
34 **shall redistribute to each taxing jurisdiction if eligible for distribution**  
35 **pursuant to subsection (f) who shall upon receipt of the moneys**  
36 **deposit the same in their respective general funds.**

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

42 (f) ~~A county taxing jurisdiction shall not be eligible to receive a~~  
43 ~~distribution of the apportionment if such county held an election pursuant~~

1 ~~to section 1~~ **taxing jurisdiction attempted to exceed the property tax**  
2 **limit in section 1(b)**, and amendments thereto. Any ~~county taxing~~  
3 **jurisdiction** eligible to receive a distribution of the apportionment shall  
4 notify the director of property valuation before October 15 in order to  
5 receive the apportionment. The director of property valuation shall certify  
6 to the state treasurer on or before November 15, whether the ~~county's~~  
7 **taxing jurisdiction's** budget provides for a total amount of ad valorem tax  
8 to be levied in an amount that is less than or equal to the amount of ad  
9 valorem tax levied for the preceding year increased by an amount that is  
10 equal to or less than the amount provided in section 1(b), and amendments  
11 thereto.

12 ~~(e)~~**(g)** On or before January 15 following the transfer provided in  
13 subsection (b), the state treasurer shall pay the amount specified in  
14 subsection ~~(e)~~ **(d) for all eligible taxing jurisdictions contained in the**  
15 **county. The county treasurer shall transfer the funds to the eligible**  
16 **taxing jurisdictions as provided in subsection (d)** to each eligible ~~county~~  
17 **taxing jurisdiction**. Such funds shall only be used for services, including,  
18 but not limited to, roads and bridges, law enforcement, elections, public  
19 health and safety or any other services mandated by law.

20 ~~(f)~~**(h)** If it is determined that a ~~county taxing jurisdiction~~ received  
21 payment and was not entitled to such payment, the ~~county taxing~~  
22 **jurisdiction** shall return or remit such payment to the state treasurer. Upon  
23 receipt of each such remittance, the state treasurer shall deposit the entire  
24 amount in the state treasury to the credit of the state general fund.

25 ~~(g)~~**(i)** Any amounts that are not transferred because a ~~county taxing~~  
26 **jurisdiction** is not eligible pursuant to the provisions of this act shall be  
27 deposited by the state treasurer in the state treasury to the credit of the  
28 state general fund.

29 ~~(h)~~**(j)** The state treasurer shall provide to the house of representatives  
30 committee on taxation and the senate committee on assessment and  
31 taxation on or before January 31 of each year the list of ~~counties taxing~~  
32 **jurisdictions** that received a transfer from the property tax relief fund and  
33 a list of those ~~counties taxing jurisdictions~~ that did not receive a transfer.

34 Sec. 3. K.S.A. 2025 Supp. 72-5137 is hereby amended to read as  
35 follows: 72-5137. On or before October 10 of each school year, the clerk  
36 or superintendent of each school district shall certify under oath to the  
37 state board a report showing the total enrollment of the school district by  
38 grades maintained in the schools of the school district and such other  
39 reports as the state board may require. Each such report shall show  
40 postsecondary education enrollment, career technical education  
41 enrollment, special education enrollment, bilingual education enrollment,  
42 at-risk student enrollment and virtual school enrollment in such detail and  
43 form as is specified by the state board. Upon receipt of such reports, the

1 state board shall examine the reports and if the state board finds any errors  
2 in any such report, the state board shall consult with the school district  
3 officer furnishing the report and make any necessary corrections in the  
4 report. On or before August 25 of each year, each such clerk or  
5 superintendent shall also certify to the state board a copy of the budget  
6 adopted by the school district, ~~except when a school district must conduct~~  
7 ~~a public hearing to approve exceeding the revenue neutral rate under~~  
8 ~~K.S.A. 2025 Supp. 79-2988, and amendments thereto, a copy of such~~  
9 ~~budget shall be certified to the state board on or before September 20.~~

10 Sec. 4. K.S.A. 2025 Supp. 79-2929 is hereby amended to read as  
11 follows: 79-2929. Prior to the filing of the adopted budget with the county  
12 clerk, the governing body of each taxing or political subdivision or  
13 municipality shall meet for the purpose of answering and hearing  
14 objections of taxpayers relating to the proposed budget and for the purpose  
15 of considering amendments to such proposed budget. The governing body  
16 shall give at least 10 days' notice of the time and place of the meeting by  
17 publication in a weekly or daily newspaper of the county having a general  
18 circulation therein. Such notice shall include the proposed budget and shall  
19 set out all essential items in the budget except such groupings as  
20 designated by the director of accounts and reports on a special publication  
21 form prescribed by the director of accounts and reports and furnished with  
22 the regular budget form. ~~Such form shall also include the revenue neutral~~  
23 ~~rate as provided in K.S.A. 2025 Supp. 79-2988, and amendments thereto.~~  
24 The notice of a governing body of any taxing subdivision or municipality  
25 having an annual expenditure of \$500 or less shall specify the time and  
26 place of the meeting required by this section but shall not be required to  
27 include the proposed budget of such taxing subdivision or municipality.

28 Sec. 5. K.S.A. 2025 Supp. 79-2988 is hereby amended to read as  
29 follows: 79-2988. (a) On or before June 15 each year, the ~~county clerk~~  
30 ~~director of property valuation~~ shall calculate the ~~revenue neutral rate~~  
31 ~~property tax limit~~ for each taxing subdivision and *provide the property tax*  
32 *limit to each county clerk for each taxing subdivision within the county.*  
33 *The county clerk shall* include such ~~revenue neutral rate property tax limit~~  
34 on the notice of the estimated assessed valuation provided to each taxing  
35 subdivision for budget purposes, ~~except that for tax year 2024, the~~  
36 ~~deadline shall be extended to July 1, 2024.~~ The director of accounts and  
37 reports shall modify the prescribed budget information form to show the  
38 ~~revenue neutral rate property tax limit.~~

39 (b) ~~Except as otherwise provided in this section, no tax rate in excess~~  
40 ~~of the revenue neutral rate shall be levied by the governing body of any~~  
41 ~~taxing subdivision unless a resolution or ordinance has been approved by~~  
42 ~~the governing body according to the following procedure:~~

43 (1) ~~At least 10 days in advance of the public hearing, the governing~~

1 body shall publish notice of its proposed intent to exceed the revenue  
2 neutral rate by publishing notice:

3 (A) ~~On the website of the governing body, if the governing body~~  
4 ~~maintains a website; and~~

5 (B) ~~in a weekly or daily newspaper of the county having a general~~  
6 ~~circulation therein. The notice shall include, but not be limited to, its~~  
7 ~~proposed tax rate, its revenue neutral rate and the date, time and location~~  
8 ~~of the public hearing.~~

9 (2) ~~On or before July 20, the governing body shall notify the county~~  
10 ~~clerk of its proposed intent to exceed the revenue neutral rate and provide~~  
11 ~~the date, time and location of the public hearing and its proposed tax rate.~~  
12 ~~For all tax years commencing after December 31, 2021 2026, the county~~  
13 ~~clerk shall *notify provide* each taxpayer with property in the taxing~~  
14 ~~subdivision, by mail directed to the taxpayer's last known address, of the~~  
15 ~~proposed intent to exceed the revenue neutral rate at least 10 days in~~  
16 ~~advance of the public hearing *property tax estimate notice*. Alternatively,~~  
17 ~~the county clerk may transmit the notice to the taxpayer by electronic~~  
18 ~~means at least 10 days in advance of the public hearing, if such taxpayer~~  
19 ~~and county clerk have consented in writing to service by electronic means.~~  
20 ~~The county clerk is not required to send a notice to a property owner of~~  
21 ~~property that is exempt from ad valorem taxation. The county clerk shall~~  
22 ~~consolidate the required information for all taxing subdivisions relevant to~~  
23 ~~the taxpayer's property on one notice. The notice shall be in a format~~  
24 ~~prescribed by the director of accounts and reports. The notice shall~~  
25 ~~include, but not be limited to:~~

26 (A)(1) The following heading:

27 "NOTICE OF ~~PROPOSED~~ PROPERTY TAX INCREASE *ESTIMATE*  
28 AND PUBLIC HEARINGS

29 [Current year] [County name] ~~County Revenue Neutral Rate Notice~~

30 This is NOT a bill. Do not remit payment.";

31 (B)(2) the following statement:

32 "This notice contains estimates of the tax on your property ~~and~~  
33 ~~proposed property tax increases. THE ACTUAL TAX ON YOUR~~  
34 ~~PROPERTY MAY INCREASE OR DECREASE FROM THESE~~  
35 ~~ESTIMATES. Governing bodies of taxing subdivisions ~~must vote in order~~~~  
36 ~~to exceed the Revenue Neutral Rate to increase the total property taxes~~  
37 ~~collected are restricted to the property tax limits set forth in section 1, and~~  
38 ~~amendments thereto. Governing bodies may adopt budgets less than the~~  
39 ~~property tax limit. Governing bodies ~~will vote at~~ shall hold public hearings~~  
40 ~~at the dates, times and locations listed. Taxpayers may attend and comment~~  
41 ~~at the hearings. Property tax statements will be issued after *budgets are*~~  
42 ~~adopted and mill rates are finalized and taxes are calculated.";~~

43 (C)(3) the appraised value and assessed value of the taxpayer's

1 property for the current year and the previous year;

2 ~~(D)(4)~~ the mill levy and amount of property tax of each taxing  
3 subdivision on the taxpayer's property from the previous year's tax  
4 statement in a column titled: "[Previous year] Tax";

5 ~~(E)(5)~~ the ~~revenue neutral rate property tax limit~~ in mills and  
6 estimated amount of property tax for the current year of each taxing  
7 subdivision on the taxpayer's property based on the ~~revenue neutral rate~~  
8 ~~property tax limit~~ of each taxing subdivision in a column titled: "[Current  
9 year] Tax at ~~Revenue Neutral Rate the Property Tax Limit~~";

10 ~~(F)~~ the estimated amount of property tax for the current year of each  
11 taxing subdivision on the taxpayer's property based on either: (i) The  
12 revenue neutral rate for a taxing subdivision that does not intend to exceed  
13 its revenue neutral rate; or (ii) the proposed tax rate provided by the taxing  
14 subdivision, if the taxing subdivision notified the county clerk of its  
15 proposed intent to exceed its revenue neutral rate, and such mill levy used  
16 in the calculation, in a column titled: "[Current year] Proposed Tax";

17 ~~(G)(6)~~ the difference between the amount of the current year's  
18 proposed tax and the previous year's tax, reflected in dollars and a  
19 percentage, for each taxing subdivision in a column titled: "[Current year]  
20 Proposed Tax Exceeding [Previous year] Tax"; and

21 ~~(H)(7)~~ the date, time and location of the public hearing of each taxing  
22 subdivision that notified the county clerk of its proposed intent to exceed  
23 its revenue neutral rate in a column titled: "Date, Time and Location of  
24 Public Hearing".

25 ~~(c)~~ The columns described in ~~subparagraphs (D) through (G)~~  
26 ~~subsections (b)(4) through (6)~~ shall include a total of the amounts at the  
27 end of each column. For each taxing subdivision, the notice shall include  
28 the total amount of revenue from the property tax levy for the previous  
29 year, the proposed total amount of revenue from the property tax levy for  
30 the current year and the difference or change between such amounts,  
31 reflected in dollars and a percentage. ~~Although the state of Kansas is not a~~  
32 ~~taxing subdivision for purposes of this section, the notice shall include the~~  
33 ~~previous year's tax amount and the estimate of the tax for the current year~~  
34 ~~on the taxpayer's property based on the statutory mill levies. Although~~  
35 ~~school districts are not a taxing subdivision for purposes of this section,~~  
36 ~~the notice shall include the previous year's tax amount and the proposed~~  
37 ~~tax amount for the current year on the taxpayer's property based on the~~  
38 ~~statutory mill levies or statutory authority for mill levies.~~

39 ~~(3)~~ The public hearing to consider exceeding the revenue neutral rate  
40 shall be held not sooner than August 20 and not later than September 20.  
41 The governing body shall provide interested taxpayers desiring to be heard  
42 an opportunity to present oral testimony within reasonable time limits and  
43 without unreasonable restriction on the number of individuals allowed to

1 make public comment. The public hearing may be conducted in  
2 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,  
3 and amendments thereto, if the governing body otherwise complies with  
4 all requirements of this section. Nothing in this section shall be construed  
5 to prohibit additional public hearings that provide additional opportunities  
6 to present testimony or public comment prior to the public hearing  
7 required by this section.

8 (4) A majority vote of the governing body, by the adoption of a  
9 resolution or ordinance to approve exceeding the revenue neutral rate,  
10 shall be required prior to adoption of a proposed budget that will result in a  
11 tax rate in excess of the revenue neutral rate. Such vote of the governing  
12 body shall be conducted at the public hearing and on the same day as the  
13 commencement of the public hearing after the governing body has heard  
14 from interested taxpayers and shall be a roll call vote. If the governing  
15 body approves exceeding the revenue neutral rate, the governing body  
16 shall not adopt a budget that results in a tax rate in excess of its proposed  
17 tax rate as stated in the notice provided pursuant to this section. A copy of  
18 the resolution or ordinance to approve exceeding the revenue neutral rate  
19 and a certified copy of any roll call vote reporting, at a minimum, the  
20 name and vote of each member of the governing body related to exceeding  
21 the revenue neutral rate, whether approved or not, shall be included with  
22 the adopted budget, budget certificate and other budget forms filed with  
23 the county clerk and the director of accounts and reports and shall be  
24 published on the website of the department of administration.

25 (e) (1) Any governing body subject to the provisions of this section  
26 that does not comply with subsection (b) shall refund to taxpayers any  
27 property taxes over-collected based on the amount of the levy that was in  
28 excess of the revenue neutral rate.

29 (2) Any taxpayer of the taxing subdivision that is the subject of the  
30 complaint or such taxpayer's duly authorized representative may file a  
31 complaint with the state board of tax appeals by filing a written complaint,  
32 on a form prescribed by the board, that contains the facts that the  
33 complaining party believes show that a governing body of a taxing  
34 subdivision did not comply with the provisions of subsection (b) and that a  
35 reduction or refund of taxes is appropriate. The complaining party shall  
36 provide a copy of such complaint to the governing body of the taxing  
37 subdivision making the levy that is the subject of the complaint.  
38 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee  
39 shall be charged by the executive director of the state board of tax appeals  
40 for a complaint filed pursuant to this paragraph. The governing body of the  
41 taxing subdivision making the levy that is the subject of the complaint  
42 shall be a party to the proceeding. Notice of any summary proceeding or  
43 hearing shall be served upon such governing body, the county clerk, the

1 director of accounts and reports and the complaining party. It shall be the  
2 duty of the governing body to initiate the production of evidence to  
3 demonstrate, by a preponderance of the evidence, the validity of such levy.  
4 If upon a summary proceeding or hearing, it shall be made to appear to the  
5 satisfaction of the board that the governing body of the taxing subdivision  
6 did not comply with subsection (b), the state board of tax appeals shall  
7 order such governing body to refund to taxpayers the amount of property  
8 taxes over collected or reduce the taxes levied, if uncollected. The  
9 provisions of this paragraph shall not be construed as prohibiting any other  
10 remedies available under the law.

11 (d) On and after January 1, 2022, in the event that the tax levied by a  
12 school district pursuant to K.S.A. 72-5142, and amendments thereto,  
13 increases the property tax revenue generated for the purpose of calculating  
14 the revenue neutral rate from the previous tax year and such amount of  
15 increase in revenue generated from such tax levied is the only reason that  
16 the school district would exceed the total property tax revenue from the  
17 prior year, the school district shall be deemed to not have exceeded the  
18 revenue neutral rate in levying a tax rate in excess of the revenue neutral  
19 rate to take into account the increase in revenue from only such tax levied.

20 (e) ~~(1)~~(d) (1) Notwithstanding any other provision of law to the  
21 contrary, if the governing body of a taxing subdivision must conduct a  
22 public hearing to approve exceeding the revenue neutral rate under this  
23 section, the governing body of the taxing subdivision shall certify, on or  
24 before October 1, to the proper county clerk the amount of ad valorem tax  
25 to be levied.

26 (2) If a governing body of a taxing subdivision did not comply with  
27 the provisions of ~~subsection (b)~~ *section 1, and amendments thereto*, and  
28 certifies to the county clerk an amount of ad valorem tax ~~to be levied that~~  
29 ~~would result in a tax rate in excess of its revenue neutral rate~~ *the property*  
30 *tax limit*, the county clerk shall reduce the ad valorem tax to be levied to  
31 the amount resulting from such taxing subdivision's revenue neutral rate  
32 *property tax limit*.

33 (f)(e) As used in this section:

34 (1) "Taxing subdivision" means any political subdivision of the state  
35 that levies an ad valorem tax on property.

36 (2) "~~Revenue neutral rate~~*Property tax limit*" means the tax rate for the  
37 current tax year that would generate the same property tax revenue as  
38 levied the previous tax year using the current tax year's total assessed  
39 valuation. To calculate the revenue neutral rate, the county clerk shall  
40 divide the property tax revenue for such taxing subdivision levied for the  
41 previous tax year by the total of all taxable assessed valuation in such  
42 taxing subdivision for the current tax year, and then multiply the quotient  
43 by 1,000 to express the rate in mills. The revenue neutral rate shall be

1 ~~expressed to the third decimal place~~ *the same as provided in section 1(b),*  
2 *and amendments thereto.*

3 ~~(g)(f)~~ In the event that a county clerk incurred costs of printing and  
4 postage that were not reimbursed pursuant to K.S.A. 2025 Supp. 79-2989,  
5 and amendments thereto, such county clerk may seek reimbursement from  
6 all taxing subdivisions required to send the notice. Such costs shall be  
7 shared proportionately by all taxing subdivisions that were included on the  
8 same notice based on the total property tax levied by each taxing  
9 subdivision. Payment of such costs shall be due to the county clerk by  
10 December 31.

11 ~~(h)(g)~~ The department of administration or the director of accounts  
12 and reports shall make copies of adopted budgets, budget certificates, *and*  
13 ~~other budget documents and revenue neutral rate property tax increase~~  
14 ~~documents available to the public on the department of administration's~~  
15 ~~website on a permanently accessible web page that may be accessed via a~~  
16 ~~conspicuous link to that web page placed on the front page of the~~  
17 ~~department's website. The department of administration or the director of~~  
18 ~~accounts and reports shall also make the following information for each~~  
19 ~~tax year available on such website:~~

20 ~~(1) A list of taxing subdivisions by county;~~

21 ~~(2) whether each taxing subdivision conducted a hearing to consider~~  
22 ~~exceeding its revenue neutral rate;~~

23 ~~(3) the revenue neutral rate of each taxing subdivision;~~

24 ~~(4) the tax rate resulting from the adopted budget of each taxing~~  
25 ~~subdivision; and~~

26 ~~(5) the percent change between the revenue neutral rate and the tax~~  
27 ~~rate for each taxing subdivision.~~

28 ~~(i) Notwithstanding any provisions to the contrary, in the event any~~  
29 ~~governing body does not comply with the provisions of subsection (b)~~  
30 ~~because such governing body did not intend to exceed its revenue neutral~~  
31 ~~rate but the final taxable assessed valuation of such taxing subdivision~~  
32 ~~used to calculate the actual tax levy is less than the estimated assessed~~  
33 ~~valuation used to calculate the revenue neutral rate, such governing body~~  
34 ~~shall be permitted to levy a tax rate that generates the same amount of~~  
35 ~~property tax revenue as levied the previous year or less.~~

36 Sec. 6. K.S.A. 2025 Supp. 79-2989 is hereby amended to read as  
37 follows: 79-2989. (a) ~~For calendar years 2024, 2025 and 2026,~~ If a county  
38 clerk has printing or postage costs pursuant to K.S.A. 2025 Supp. 79-2988,  
39 and amendments thereto, the county clerk shall notify and provide  
40 documentation of such costs to the secretary of revenue. The secretary of  
41 revenue shall certify the amount of moneys attributable to such costs and  
42 shall transmit a copy of such certification to the director of accounts and  
43 reports. Upon such receipt of such certification, the director of accounts

1 and reports shall transfer an amount of moneys equal to such certified  
2 amount from the state general fund to the taxpayer notification costs fund  
3 of the department of revenue. The secretary of revenue shall transmit a  
4 copy of each such certification to the director of legislative research and  
5 the director of the budget.

6 (b) There is hereby established in the state treasury the taxpayer  
7 notification costs fund that shall be administered by the secretary of  
8 revenue. All expenditures from the taxpayer notification costs fund shall  
9 be for the purpose of paying county printing and postage costs pursuant to  
10 K.S.A. 2025 Supp. 79-2988, and amendments thereto. All expenditures  
11 from such fund shall be made in accordance with appropriations acts upon  
12 warrants of the director of accounts and reports issued pursuant to  
13 vouchers approved by the secretary of revenue or the secretary's designee.

14 Sec. 7. K.S.A. 2025 Supp. 72-5137, 79-2929, 79-2988 and 79-2989  
15 are hereby repealed.

16 Sec. 8. This act shall take effect and be in force from and after its  
17 publication in the Kansas register.