

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~~

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

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

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

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

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

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

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

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

37 (3) The county clerk shall notify the county treasurer of all taxing
38 jurisdictions that approve any appropriation or budget providing for
39 funding by property tax revenues in excess of the amount provided in
40 subsection (b). The county treasurer shall post notice on the county
41 website if one exists, any social media maintained by such office and in
42 the county treasurer's office stating whether protest petitions are
43 available for any taxing jurisdiction within the county and shall make

1 available during regular business hours a copy of each protest
2 petition, including the signature page. The requirements of K.S.A. 25-
3 3602, and amendments thereto, relating to filing petitions at one time
4 and circulator requirements shall not apply to protest petitions
5 maintained under this paragraph.

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

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

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

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

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

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

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

27 (6) If a protest petition signed by not less than ~~10%~~{5%} of the
28 qualified electors of the votes cast for the office of ~~president of the~~
29 ~~United States~~ {secretary of state} of the taxing jurisdiction as of the
30 date of the budget adoption, is filed with the county clerk within 30
31 days following publication of the resolution, the budget providing for
32 property tax revenues in excess of subsection (b) shall be deemed
33 disapproved and the taxing jurisdiction shall revert to the maximum
34 funding level permitted under subsection (b).

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

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

1 **adoption, shall be completed not later than October 1.**

2 **(9) If the petition is found insufficient, the taxing jurisdiction may**
3 **proceed with the budget as adopted.**

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

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

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

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

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

28 (A) Real property located within added jurisdictional territory;

29 (B) real property that has changed in use;

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

31 or

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

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

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

43 ~~New Sec. 2. (a) There is hereby created the property tax relief fund.~~

1 All moneys transferred or credited to such fund under the provisions of
2 this act or any other law shall be apportioned and distributed in the manner
3 provided in this section.

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

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

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

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

1 ~~(f)~~ A county ~~taxing jurisdiction~~ shall not be eligible to receive a
2 distribution of the apportionment if such county held an election pursuant to
3 section 1 ~~taxing jurisdiction attempted to exceed the property tax~~
4 ~~limit in section 1(b)~~, and amendments thereto. Any county ~~taxing~~
5 ~~jurisdiction~~ eligible to receive a distribution of the apportionment shall
6 notify the director of property valuation before October 15 in order to
7 receive the apportionment. The director of property valuation shall certify
8 to the state treasurer on or before November 15, whether the county's
9 ~~taxing jurisdiction's~~ budget provides for a total amount of ad valorem tax
10 to be levied in an amount that is less than or equal to the amount of ad
11 valorem tax levied for the preceding year increased by an amount that is
12 equal to or less than the amount provided in section 1(b), and amendments
13 thereto.

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

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

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

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

36 Sec. 32. K.S.A. 2025 Supp. 72-5137 is hereby amended to read as
37 follows: 72-5137. On or before October 10 of each school year, the clerk
38 or superintendent of each school district shall certify under oath to the
39 state board a report showing the total enrollment of the school district by
40 grades maintained in the schools of the school district and such other
41 reports as the state board may require. Each such report shall show
42 postsecondary education enrollment, career technical education
43 enrollment, special education enrollment, bilingual education enrollment,

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

12 Sec. 43. K.S.A. 2025 Supp. 79-2929 is hereby amended to read as
13 follows: 79-2929. Prior to the filing of the adopted budget with the county
14 clerk, the governing body of each taxing or political subdivision or
15 municipality shall meet for the purpose of answering and hearing
16 objections of taxpayers relating to the proposed budget and for the purpose
17 of considering amendments to such proposed budget. The governing body
18 shall give at least 10 days' notice of the time and place of the meeting by
19 publication in a weekly or daily newspaper of the county having a general
20 circulation therein. Such notice shall include the proposed budget and shall
21 set out all essential items in the budget except such groupings as
22 designated by the director of accounts and reports on a special publication
23 form prescribed by the director of accounts and reports and furnished with
24 the regular budget form. ~~Such form shall also include the revenue neutral~~
25 ~~rate as provided in K.S.A. 2025 Supp. 79-2988, and amendments thereto.~~
26 The notice of a governing body of any taxing subdivision or municipality
27 having an annual expenditure of \$500 or less shall specify the time and
28 place of the meeting required by this section but shall not be required to
29 include the proposed budget of such taxing subdivision or municipality.

30 Sec. 54. K.S.A. 2025 Supp. 79-2988 is hereby amended to read as
31 follows: 79-2988. (a) On or before June 15 each year, ~~the county clerk~~
32 ~~director of property valuation~~ **{county clerk }** shall calculate the ~~revenue~~
33 ~~neutral rate property tax limit~~ for each taxing subdivision and *provide the*
34 *property tax limit to each county clerk for each taxing subdivision within*
35 *the county. The county clerk shall include such ~~revenue neutral rate~~*
36 *property tax limit* on the notice of the estimated assessed valuation
37 provided to each taxing subdivision for budget purposes, ~~except that for~~
38 ~~tax year 2024, the deadline shall be extended to July 1, 2024.~~ The director
39 of accounts and reports shall modify the prescribed budget information
40 form to show the ~~revenue neutral rate property tax limit~~.

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

1 the governing body according to the following procedure:

2 (1) ~~At least 10 days in advance of the public hearing, the governing~~
 3 ~~body shall publish notice of its proposed intent to exceed the revenue~~
 4 ~~neutral rate by publishing notice:~~

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

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

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

28 (A)(1) The following heading:

29 "NOTICE OF ~~PROPOSED~~ PROPERTY TAX INCREASE *ESTIMATE*
 30 AND PUBLIC HEARINGS

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

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

33 (B)(2) the following statement:

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

1 *adopted and mill rates are finalized and taxes are calculated.*";

2 ~~(C)(3)~~ the appraised value and assessed value of the taxpayer's
3 property for the current year and the previous year;

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

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

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

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

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

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

41 ~~(3)~~ ~~The public hearing to consider exceeding the revenue neutral rate~~
42 ~~shall be held not sooner than August 20 and not later than September 20.~~
43 ~~The governing body shall provide interested taxpayers desiring to be heard~~

1 an opportunity to present oral testimony within reasonable time limits and
2 without unreasonable restriction on the number of individuals allowed to
3 make public comment. The public hearing may be conducted in
4 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
5 and amendments thereto, if the governing body otherwise complies with
6 all requirements of this section. Nothing in this section shall be construed
7 to prohibit additional public hearings that provide additional opportunities
8 to present testimony or public comment prior to the public hearing
9 required by this section.

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

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

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

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

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

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

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

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

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

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

1 ~~taxing subdivision for the current tax year, and then multiply the quotient~~
2 ~~by 1,000 to express the rate in mills. The revenue neutral rate shall be~~
3 ~~expressed to the third decimal place~~ *the same as provided in section 1(b),*
4 *and amendments thereto.*

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

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

- 22 (1) ~~A list of taxing subdivisions by county;~~
- 23 (2) ~~whether each taxing subdivision conducted a hearing to consider~~
24 ~~exceeding its revenue neutral rate;~~
- 25 (3) ~~the revenue neutral rate of each taxing subdivision;~~
- 26 (4) ~~the tax rate resulting from the adopted budget of each taxing~~
27 ~~subdivision; and~~
- 28 (5) ~~the percent change between the revenue neutral rate and the tax~~
29 ~~rate for each taxing subdivision.~~

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

38 Sec. 65. K.S.A. 2025 Supp. 79-2989 is hereby amended to read as
39 follows: 79-2989. (a) ~~For calendar years 2024, 2025 and 2026,~~ If a county
40 clerk has printing or postage costs pursuant to K.S.A. 2025 Supp. 79-2988,
41 and amendments thereto, the county clerk shall notify and provide
42 documentation of such costs to the secretary of revenue. The secretary of
43 revenue shall certify the amount of moneys attributable to such costs and

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

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

16 Sec. 76. K.S.A. 2025 Supp. 72-5137, 79-2929, 79-2988 and 79-2989
17 are hereby repealed.

18 Sec. 87. This act shall take effect and be in force from and after its
19 publication in the Kansas register.