

**SENATE SUBSTITUTE FOR HOUSE BILL No. 2158**

By Committee on Ways and Means

3-28

1 AN ACT concerning school districts; relating to school finance; amending  
2 K.S.A. 2010 Supp. 72-6441, 72-6449 and 72-6451 and repealing the  
3 existing sections.  
4

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

6 Section 1. K.S.A. 2010 Supp. 72-6441 is hereby amended to read as  
7 follows: 72-6441. (a) (1) The board of any district to which the provisions  
8 of this subsection apply may levy an ad valorem tax on the taxable  
9 tangible property of the district each year for a period of time not to  
10 exceed two years in an amount not to exceed the amount authorized by the  
11 state court of tax appeals under this subsection for the purpose of financing  
12 the costs incurred by the state that are directly attributable to assignment of  
13 ancillary school facilities weighting to enrollment of the district. The state  
14 court of tax appeals may authorize the district to make a levy which will  
15 produce an amount that is not greater than the difference between the  
16 amount of costs directly attributable to commencing operation of one or  
17 more new school facilities and the amount that is financed from any other  
18 source provided by law for such purpose, including any amount  
19 attributable to assignment of school facilities weighting to enrollment of  
20 the district for each school year in which the district is eligible for such  
21 weighting. If the district is not eligible, or will be ineligible, for school  
22 facilities weighting in any one or more years during the two-year period  
23 for which the district is authorized to levy a tax under this subsection, the  
24 state court of tax appeals may authorize the district to make a levy, in such  
25 year or years of ineligibility, which will produce an amount that is not  
26 greater than the actual amount of costs attributable to commencing  
27 operation of the facility or facilities.

28 (2) The state court of tax appeals shall certify to the state board of  
29 education the amount authorized to be produced by the levy of a tax under  
30 subsection (a).

31 (3) The state court of tax appeals may adopt rules and regulations  
32 necessary to effectuate the provisions of this subsection, including rules  
33 and regulations relating to the evidence required in support of a district's  
34 claim that the costs attributable to commencing operation of one or more  
35 new school facilities are in excess of the amount that is financed from any  
36 other source provided by law for such purpose.

1 (4) The provisions of this subsection apply to any district that (A)  
2 commenced operation of one or more new school facilities in the school  
3 year preceding the current school year or has commenced or will  
4 commence operation of one or more new school facilities in the current  
5 school year or any or all of the foregoing; (B) is authorized to adopt and  
6 has adopted a local option budget which is at least equal to that amount  
7 required to qualify for school facilities weighting under K.S.A. 2010 Supp.  
8 72-6415b, and amendments thereto; and (C) is experiencing extraordinary  
9 enrollment growth as determined by the state board of education.

10 (b) The board of any district that has levied an ad valorem tax on the  
11 taxable tangible property of the district each year for a period of two years  
12 under authority of subsection (a) may continue to levy such tax under  
13 authority of this subsection each year for an additional period of time not  
14 to exceed three years in an amount not to exceed the amount computed by  
15 the state board of education as provided in this subsection if the board of  
16 the district determines that the costs attributable to commencing operation  
17 of one or more new school facilities are significantly greater than the costs  
18 attributable to the operation of other school facilities in the district. The tax  
19 authorized under this subsection may be levied at a rate which will  
20 produce an amount that is not greater than the amount computed by the  
21 state board of education as provided in this subsection. In computing such  
22 amount, the state board shall (1) determine the amount produced by the tax  
23 levied by the district under authority of subsection (a) in the second year  
24 for which such tax was levied and add to such amount the amount of  
25 general state aid directly attributable to school facilities weighting that was  
26 received by the district in the same year; ~~and~~; (2) compute 75% of the  
27 amount of the sum obtained under (1), which computed amount is the  
28 amount the district may levy in the first year of the three-year period for  
29 which the district may levy a tax under authority of this subsection; ~~and~~; (3)  
30 compute 50% of the amount of the sum obtained under (1), which  
31 computed amount is the amount the district may levy in the second year of  
32 the three-year period for which the district may levy a tax under authority  
33 of this subsection; ; and (4) compute 25% of the amount of the sum  
34 obtained under (1), which computed amount is the amount the district may  
35 levy in the third year of the three-year period for which the district may  
36 levy a tax under authority of this subsection.

37 *In determining the amount produced by the tax levied by the district*  
38 *under authority of subsection (a), the state board shall include any moneys*  
39 *which have been apportioned to the ancillary facilities fund of the district*  
40 *from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-*  
41 *5118 et seq., and amendments thereto.*

42 (c) The proceeds from the tax levied by a district under authority of  
43 this section shall be remitted to the state treasurer in accordance with the

1 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
2 each such remittance, the state treasurer shall deposit the entire amount in  
3 the state treasury to the credit of the state school district finance fund.

4 Sec. 2. K.S.A. 2010 Supp. 72-6449 is hereby amended to read as  
5 follows: 72-6449. (a) As used in this section, "school district" or "district"  
6 means a school district authorized to make a levy under this section.

7 (b) The board of education of any district may levy a tax on the  
8 taxable tangible property within the district for the purpose of financing  
9 the costs incurred by the state that are attributable directly to assignment of  
10 the cost of living weighting to the enrollment of the district. There is  
11 hereby established in every school district a fund which shall be called the  
12 cost of living fund, which fund shall consist of all moneys deposited  
13 therein or transferred thereto in accordance with law. All moneys derived  
14 from a tax imposed pursuant to this section shall be credited to the cost of  
15 living fund. The proceeds from the tax levied by a district credited to the  
16 cost of living fund shall be remitted to the state treasurer in accordance  
17 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon  
18 receipt of each such remittance, the state treasurer shall deposit the entire  
19 amount in the state treasury to the credit of the state school district finance  
20 fund.

21 (c) The state board of education shall determine whether a district  
22 may levy a tax under this section as follows:

23 (1) Determine the statewide average appraised value of single family  
24 residences for the calendar year preceding the current school year;

25 (2) multiply the amount determined under (1) by 1.25;

26 (3) determine the average appraised value of single family residences  
27 in each school district for the calendar year preceding the current school  
28 year; and

29 (4) (A) subtract the amount determined under (2) from the amount  
30 determined under (3). If the amount determined for the district under this  
31 paragraph is a positive number and the district is authorized to adopt and  
32 has adopted a local option budget in an amount equal to at least 31% of the  
33 state financial aid for the school district, the district qualifies for  
34 assignment of cost of living weighting and may levy a tax on the taxable  
35 tangible property of the district for the purpose of financing the costs that  
36 are attributable directly to assignment of the cost of living weighting to  
37 enrollment of the district; or

38 (B) As an alternative to the authority provided in paragraph (4)(A), if  
39 a district was authorized to make a levy pursuant to this section in school  
40 year 2006-2007, such district shall remain authorized to levy such tax at a  
41 rate necessary to generate revenue in the same amount generated in school  
42 year 2006-2007 if: (i) The amount determined under paragraph (4)(A) is a  
43 positive number; and (ii) the district continues to adopt a local option

1 budget in an amount equal to the state prescribed percentage in effect in  
2 school year 2006-2007.

3 (d) No tax may be levied under this section unless the board of  
4 education adopts a resolution authorizing such a tax levy and publishes the  
5 resolution at least once in a newspaper having general circulation in the  
6 district. Except as provided by subsection (e), the resolution shall be  
7 published in substantial compliance with the following form:

8 Unified School District No. \_\_\_\_\_,  
9 \_\_\_\_\_ County, Kansas.

10 RESOLUTION

11 Be It Resolved that:

12 The board of education of the above-named school district shall be  
13 authorized to levy an ad valorem tax in an amount not to exceed the  
14 amount necessary to finance the costs attributable directly to the  
15 assignment of cost of living weighting to the enrollment of the district. The  
16 ad valorem tax authorized by this resolution may be levied unless a  
17 petition in opposition to the same, signed by not less than 5% of the  
18 qualified electors of the school district, is filed with the county election  
19 officer of the home county of the school district within 30 days after the  
20 publication of this resolution. If a petition is filed, the county election  
21 officer shall submit the question of whether the levy of such a tax shall be  
22 authorized in accordance with the provisions of this resolution to the  
23 electors of the school district at the next general election of the school  
24 district, as is specified by the board of education of the school district.

25 CERTIFICATE

26 This is to certify that the above resolution was duly adopted by the  
27 board of education of Unified School District No. \_\_\_\_\_,  
28 \_\_\_\_\_ County, Kansas, on the \_\_\_\_ day of \_\_\_\_\_, (year)\_\_\_\_.

29 \_\_\_\_\_  
30 Clerk of the board of education.

31 All of the blanks in the resolution shall be filled. If no petition as  
32 specified above is filed in accordance with the provisions of the resolution,  
33 the resolution authorizing the ad valorem tax levy shall become effective.  
34 If a petition is filed as provided in the resolution, the board may notify the  
35 county election officer to submit the question of whether such tax levy  
36 shall be authorized. If the board fails to notify the county election officer  
37 within 30 days after a petition is filed, the resolution shall be deemed  
38 abandoned and of no force and effect and no like resolution shall be  
39 adopted by the board within the nine months following publication of the  
40 resolution. If a majority of the votes cast in an election conducted pursuant  
41 to this provision are in favor of the resolution, such resolution shall be  
42 effective on the date of such election. If a majority of the votes cast are not  
43 in favor of the resolution, the resolution shall be deemed of no effect and

1 no like resolution shall be adopted by the board within the nine months  
2 following such election.

3 *(e) In determining the amount produced by the tax levied by the*  
4 *district under the authority of this section, the state board shall include*  
5 *any moneys which have been apportioned to the cost-of-living fund of the*  
6 *district from taxes levied under the provisions of K.S.A. 79-5101 et seq.*  
7 *and 79-5118 et seq., and amendments thereto.*

8 Sec. 3. K.S.A. 2010 Supp. 72-6451 is hereby amended to read as  
9 follows: 72-6451. (a) As used in this section:

10 (1) "School district" or "district" means a school district which: (A)  
11 Has a declining enrollment; and (B) has adopted a local option budget in  
12 an amount which equals at least 31% of the state financial aid for the  
13 school district at the time the district applies to the state court of tax  
14 appeals for authority to make a levy pursuant to this section.

15 (2) "Declining enrollment" means an enrollment which has declined  
16 in amount from that of the preceding school year.

17 (b) (1) (A) A school district may levy an ad valorem tax on the  
18 taxable tangible property of the district each year for a period of time not  
19 to exceed two years in an amount not to exceed the amount authorized by  
20 the state court of tax appeals under this subsection for the purpose of  
21 financing the costs incurred by the state that are directly attributable to  
22 assignment of declining enrollment weighting to enrollment of the district.  
23 The state court of tax appeals may authorize the district to make a levy  
24 which will produce an amount that is not greater than the amount of  
25 revenues lost as a result of the declining enrollment of the district. Such  
26 amount shall not exceed 5% of the general fund budget of the district in  
27 the school year in which the district applies to the state court of tax appeals  
28 for authority to make a levy pursuant to this section.

29 (B) As an alternative to the authority provided in paragraph (1)(A), if  
30 a district was authorized to make a levy pursuant to this section in school  
31 year 2006-2007, such district shall remain authorized to make a levy at a  
32 rate necessary to generate revenue in the same amount that was generated  
33 in school year 2007-2008 if the district adopts a local option budget in an  
34 amount equal to the state prescribed percentage in effect in school year  
35 2006-2007.

36 (2) The state court of tax appeals shall certify to the state board the  
37 amount authorized to be produced by the levy of a tax under this section.

38 (3) The state board shall prescribe guidelines for the data that school  
39 districts shall include in cases before the state court of tax appeals pursuant  
40 to this section.

41 (c) A district may levy the tax authorized pursuant to this section for a  
42 period of time not to exceed two years unless authority to make such levy  
43 is renewed by the state court of tax appeals. The state court of tax appeals

1 may renew the authority to make such levy for periods of time not to  
2 exceed two years.

3 (d) The state board shall provide to the state court of tax appeals such  
4 school data and information requested by the state court of tax appeals and  
5 any other information deemed necessary by the state board.

6 (e) There is hereby established in every district a fund which shall be  
7 called the declining enrollment fund. Such fund shall consist of all moneys  
8 deposited therein or transferred thereto according to law. The proceeds  
9 from the tax levied by a district under authority of this section shall be  
10 credited to the declining enrollment fund of the district. The proceeds from  
11 the tax levied by a district credited to the declining enrollment fund shall  
12 be remitted to the state treasurer in accordance with the provisions of  
13 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
14 remittance, the state treasurer shall deposit the entire amount in the state  
15 treasury to the credit of the state school district finance fund.

16 (f) *In determining the amount produced by the tax levied by the*  
17 *district under authority of this section, the state board shall include any*  
18 *moneys which have been apportioned to the declining enrollment fund of*  
19 *the district from taxes levied under the provisions of K.S.A. 79-5101 et seq.*  
20 *and 79-5118 et seq., and amendments thereto.*

21 Sec. 4. K.S.A. 2010 Supp. 72-6441, 72-6449 and 72-6451 are hereby  
22 repealed.

23 Sec. 5. This act shall take effect and be in force from and after its  
24 publication in the statute book.  
25