

HOUSE BILL No. 2212

By Representatives Brunk, Arpke, Boman, Collins, Goodman, Gregory,  
Hermanson, Howell, Huebert, Hedke, Kiegerl, Osterman, Patton, Peck, Scapa and  
Weber

2-8

1 AN ACT concerning property taxation; ~~relating to revenues produced by~~  
2 ~~property tax levies; mill levy adjustments; resolutions, publication~~  
3 ~~requirements; {transferring moneys to the local ad valorem tax~~  
4 ~~reduction fund;} amending K.S.A. 2010 2011 Supp. 79-2925b {79-~~  
5 ~~2959}; and repealing the existing section.~~  
6

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

8 New Section 1. (a) ~~Subject to the provisions of K.S.A. 79-2925b, and~~  
9 ~~amendments thereto, if the total taxable real property valuation in any~~  
10 ~~municipality increases due to increases in the assessed valuation of~~  
11 ~~existing real property, then the governing body shall lower the mill levy~~  
12 ~~rate to such rate that would equal the amount of ad valorem property taxes~~  
13 ~~levied in the next preceding year. This subsection shall not apply to ad~~  
14 ~~valorem taxes levied under K.S.A. 72-6431, 76-6b01 and 76-6b05, and~~  
15 ~~amendments thereto, or any other ad valorem tax levy which was~~  
16 ~~previously approved by the voters of such municipality. Property that, in~~  
17 ~~the current year, is new construction, is located within added jurisdictional~~  
18 ~~territory, or has changed in use shall not be considered when determining~~  
19 ~~whether the total taxable real property valuation has increased from the~~  
20 ~~prior year.~~

21 (b) ~~If the total taxable real property valuation in any municipality~~  
22 ~~decreases, then the governing body may increase the mill levy rate, subject~~  
23 ~~to any statutory restrictions, to a rate that would equal the amount of ad~~  
24 ~~valorem property taxes levied in the next preceding year.~~

25 (c) ~~The provisions of subsection (a) shall not apply to or limit the~~  
26 ~~levy of ad valorem taxes for the payment of principal and interest on~~  
27 ~~bonds, temporary notes and no-fund warrants or judgments rendered~~  
28 ~~against any such taxing subdivision.~~

29 (d) ~~For the purpose of this section, "municipality" means any county,~~  
30 ~~township, city, municipal university, school district, community college,~~  
31 ~~drainage district and any other taxing district or political subdivision~~  
32 ~~which levies taxes on property.~~

33 Sec. 2. ~~K.S.A. 2010 2011 Supp. 79-2925b is hereby amended to read~~

1 as follows: 79-2925b. (a) Without adoption of a resolution or ordinance so  
2 providing, the governing body of any taxing subdivision shall not approve  
3 any appropriation or budget, as the case requires, which may be funded by  
4 revenue produced from property taxes, and which provides for funding  
5 with such revenue in an amount exceeding that of the next preceding year,  
6 except with regard to revenue produced and attributable to the taxation of:

7 (1) New improvements to real property;

8 (2) increased personal property valuation, other than increased  
9 valuation of oil and gas leaseholds and mobile homes;

10 (3) property located within added jurisdictional territory; and

11 (4) property which has changed in use.

12 (b) The provisions of this section shall be applicable to all fiscal and  
13 budget years commencing on and after the effective date of this act.

14 (c) The provisions of this section shall not apply to community  
15 colleges or unified school districts.

16 (d) (c) The provisions of this section shall not apply to revenue  
17 received from property tax levied for the sole purpose of repayment of the  
18 principal of and interest upon bonded indebtedness, temporary notes and  
19 no-fund warrants.

20 (d) *Any resolution adopted pursuant to this section shall be published*  
21 *in the official county newspaper of the county where such taxing*  
22 *subdivision is located.*

23 {Section 1. K.S.A. 2011 Supp. 79-2959 is hereby amended to read  
24 as follows: 79-2959. (a) There is hereby created the local *ad valorem*  
25 tax reduction fund. All moneys transferred or credited to such fund  
26 under the provisions of this act or any other law shall be apportioned  
27 and distributed in the manner provided herein.

28 (b) On January 15 and on July 15 of each year, the director of  
29 accounts and reports shall make transfers in equal amounts which in  
30 the aggregate equal 3.63% of the total retail sales and compensating  
31 taxes credited to the state general fund pursuant to articles 36 and 37  
32 of chapter 79 of Kansas Statutes Annotated and acts amendatory  
33 thereof and supplemental thereto during the preceding calendar year  
34 from the state general fund to the local *ad valorem* tax reduction fund,  
35 except that: (1) No moneys shall be transferred from the state general  
36 fund to the local *ad valorem* tax reduction fund during state fiscal  
37 years 2009, 2010, 2011, and 2012, and 2013; and (2) the amount of the  
38 transfer on each such date shall be \$13,500,000 \$22,500,000 during  
39 fiscal year years 2013 and 2014, \$20,250,000 during fiscal year 2015,  
40 and \$27,000,000 during fiscal year 2016 and all fiscal years thereafter.  
41 All such transfers are subject to reduction under K.S.A. 75-6704, and  
42 amendments thereto. All transfers made in accordance with the  
43 provisions of this section shall be considered to be demand transfers

1 from the state general fund, except that all such transfers during fiscal  
2 year 2014 shall be considered to be revenue transfers from the state  
3 general fund.

4 (c) The state treasurer shall apportion and pay the amounts  
5 transferred under subsection (b) to the several county treasurers on  
6 January 15 and on July 15 in each year as follows: (1) Sixty-five  
7 percent of the amount to be distributed shall be apportioned on the  
8 basis of the population figures of the counties certified to the secretary  
9 of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1  
10 of the preceding year; and (2) thirty-five percent of such amount shall  
11 be apportioned on the basis of the equalized assessed tangible  
12 valuations on the tax rolls of the counties on November 1 of the  
13 preceding year as certified by the director of property valuation.}

14 ~~Sec. 3. {Sec. 2.} K.S.A. 2010 2011 Supp. 79-2925b {79-2959} is~~  
15 hereby repealed.

16 ~~Sec. 4. {3.}~~ This act shall take effect and be in force from and after its  
17 publication in the statute book.  
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