

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2212

As Amended by House Committee of the Whole

Brief*

HB 2212, as amended, would resume Local Ad Valorem Tax Reduction Fund (LAVTRF) transfers in FY 2013 and FY 2014 in the amount of \$45 million per year.

Background

The original bill was introduced by Representative Brunk and supported by the Kansas Association of Realtors. That version of the bill would have required municipalities under certain circumstances to reduce mill levies in response to increases in assessed valuation; and would have added community colleges and school districts to a law requiring adoption of "acknowledgment resolutions" relative to budgets funded by property tax increases.

The House Committee of the Whole on February 23, 2012, struck all provisions in the original bill and adopted the LAVTRF provision. Transfers to the LAVTRF have been suspended statutorily for nearly a decade. The program provides for the distribution of funds to all taxing subdivisions except school districts, and KSA 79-2961 effectively requires local units, when budgets are adopted, to reduce mill levies in response to the transfers.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>