

Session of 2022

HOUSE BILL No. 2724

By Committee on Taxation

3-2

1 AN ACT concerning property taxation; relating to tax levy rate; excluding
2 the required 20 mills for school districts from the notice and public
3 hearing requirements to exceed the revenue neutral rate for property tax
4 purposes; amending K.S.A. 2021 Supp. 79-2988 and repealing the
5 existing section.

6

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

8 Section 1. K.S.A. 2021 Supp. 79-2988 is hereby amended to read as
9 follows: 79-2988. (a) On or before June 15 each year, the county clerk
10 shall calculate the revenue neutral rate for each taxing subdivision and
11 include such revenue neutral rate on the notice of the estimated assessed
12 valuation provided to each taxing subdivision for budget purposes. The
13 director of accounts and reports shall modify the prescribed budget
14 information form to show the revenue neutral rate.

15 (b) No tax rate in excess of the revenue neutral rate shall be levied by
16 the governing body of any taxing subdivision unless a resolution or
17 ordinance has been approved by the governing body according to the
18 following procedure:

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

22 (A) On the website of the governing body, if the governing body
23 maintains a website; and

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

28 (2) On or before July 20, the governing body shall notify the county
29 clerk of its proposed intent to exceed the revenue neutral rate and provide
30 the date, time and location of the public hearing and its proposed tax rate.
31 For all tax years commencing after December 31, 2021, the county clerk
32 shall notify each taxpayer with property in the taxing subdivision, by mail
33 directed to the taxpayer's last known address, of the proposed intent to
34 exceed the revenue neutral rate at least 10 days in advance of the public
35 hearing. Alternatively, the county clerk may transmit the notice to the
36 taxpayer by electronic means at least 10 days in advance of the public

1 hearing, if such taxpayer and county clerk have consented in writing to
2 service by electronic means. The county clerk shall consolidate the
3 required information for all taxing subdivisions relevant to the taxpayer's
4 property on one notice. The notice shall be in a format prescribed by the
5 director of accounts and reports. The notice shall include, but not be
6 limited to:

7 (A) The revenue neutral rate of each taxing subdivision relevant to
8 the taxpayer's property;

9 (B) the proposed property tax revenue needed to fund the proposed
10 budget of the taxing subdivision, if the taxing subdivision notified the
11 county clerk of its proposed intent to exceed its revenue neutral rate;

12 (C) the proposed tax rate based upon the proposed budget and the
13 current year's total assessed valuation of the taxing subdivision, if the
14 taxing subdivision notified the county clerk of its proposed intent to
15 exceed its revenue neutral rate;

16 (D) the tax rate and property tax of each taxing subdivision on the
17 taxpayer's property from the previous year's tax statement;

18 (E) the appraised value and assessed value of the taxpayer's property
19 for the current year;

20 (F) the estimates of the tax for the current tax year on the taxpayer's
21 property based on the revenue neutral rate of each taxing subdivision and
22 any proposed tax rates that exceed the revenue neutral rates;

23 (G) the difference between the estimates of tax based on the proposed
24 tax rate and the revenue neutral rate on the taxpayer's property described in
25 subparagraph (F) for any taxing subdivision that has a proposed tax rate
26 that exceeds its revenue neutral rate; and

27 (H) the date, time and location of the public hearing of the taxing
28 subdivision, if the taxing subdivision notified the county clerk of its
29 proposed intent to exceed its revenue neutral rate.

30 Although the state of Kansas is not a taxing subdivision for purposes of
31 this section, the notice shall include a statement of the statutory mill levies
32 imposed by the state and the estimate of the tax for the current year on the
33 taxpayer's property based on such levies.

34 (3) The public hearing to consider exceeding the revenue neutral rate
35 shall be held not sooner than August 20 and not later than September 20.
36 The governing body shall provide interested taxpayers desiring to be heard
37 an opportunity to present oral testimony within reasonable time limits and
38 without unreasonable restriction on the number of individuals allowed to
39 make public comment. The public hearing may be conducted in
40 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
41 and amendments thereto, if the governing body otherwise complies with
42 all requirements of this section. Nothing in this section shall be construed
43 to prohibit additional public hearings that provide additional opportunities

1 to present testimony or public comment prior to the public hearing
2 required by this section.

3 (4) A majority vote of the governing body, by the adoption of a
4 resolution or ordinance to approve exceeding the revenue neutral rate,
5 shall be required prior to adoption of a proposed budget that will result in a
6 tax rate in excess of the revenue neutral rate. Such vote of the governing
7 body shall be conducted at the public hearing after the governing body has
8 heard from interested taxpayers. If the governing body approves exceeding
9 the revenue neutral rate, the governing body shall not adopt a budget that
10 results in a tax rate in excess of its proposed tax rate as stated in the notice
11 provided pursuant to this section.

12 (c) Any governing body subject to the provisions of this section that
13 does not comply with subsection (b) shall refund to taxpayers any property
14 taxes over-collected based on the amount of the levy that was in excess of
15 the revenue neutral rate. The provisions of this subsection shall not be
16 construed as prohibiting any other remedies available under the law.

17 (d) ~~On and after January 1, 2022, the provisions of this section shall~~
18 ~~not apply to the 20 mills levied by a school district pursuant to K.S.A. 72-~~
19 ~~5142, and amendments thereto.~~

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

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

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

29 (2) "Revenue neutral rate" means the tax rate for the current tax year
30 that would generate the same property tax revenue as levied the previous
31 tax year using the current tax year's total assessed valuation. To calculate
32 the revenue neutral rate, the county clerk shall divide the property tax
33 revenue for such taxing subdivision levied for the previous tax year by the
34 total of all taxable assessed valuation in such taxing subdivision for the
35 current tax year, and then multiply the quotient by 1,000 to express the rate
36 in mills. The revenue neutral rate shall be expressed to the third decimal
37 place.

38 (f)(g) In the event that a county clerk incurred costs of printing and
39 postage that were not reimbursed pursuant to K.S.A. 2021 Supp. 79-2989,
40 and amendments thereto, such county clerk may seek reimbursement from
41 all taxing subdivisions required to send the notice. Such costs shall be
42 shared proportionately by all taxing subdivisions that were included on the
43 same notice based on the total property tax levied by each taxing

in the event that the 20 mills levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated when calculating the revenue neutral rate from the previous tax year and such amount of increase in revenue generated from the 20 mills is the only reason the school district would exceed the total property tax revenue from the prior year, the school district shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate to take into account the increase in revenue from only the 20 mills

1 subdivision. Payment of such costs shall be due to the county clerk by
2 December 31.

3 ~~(g) The provisions of this section shall take effect and be in force~~
4 ~~from and after January 1, 2021.~~

5 Sec. 2. K.S.A. 2021 Supp. 79-2988 is hereby repealed.

6 Sec. 3. This act shall take effect and be in force from and after its
7 publication in the statute book.