

As Amended by House Committee

Session of 2012

HOUSE BILL No. 2609

By Committee on Taxation

2-2

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

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

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

13 (b) On January 15 and on July 15 of each year, the director of
14 accounts and reports shall make transfers in equal amounts ~~which in the~~
15 ~~aggregate equal 3.63% of the total retail sales and compensating taxes~~
16 ~~credited to the state general fund pursuant to articles 36 and 37 of chapter~~
17 ~~79 of Kansas Statutes Annotated and acts amendatory thereof and~~
18 ~~supplemental thereto during the preceding calendar year from the state~~
19 ~~general fund to the local ad valorem tax reduction fund, except that: (1) No~~
20 ~~moneys shall be transferred from the state general fund to the local ad~~
21 ~~valorem tax reduction fund during state fiscal years 2009, 2010, 2011,~~
22 ~~2012, and 2013, and (2) the amount of the transfer on each such date shall~~
23 ~~be \$13,500,000 during fiscal year 2014, \$20,250,000 and of \$22,500,000~~
24 ~~during fiscal year 2015, and \$27,000,000 during fiscal year 2016~~ **years**
25 **2013 and 2014, \$20,250,000 during fiscal year 2015 and \$27,000,000**
26 **during fiscal year 2016** and all fiscal years thereafter. All such transfers
27 are subject to reduction under K.S.A. 75-6704, and amendments thereto.
28 All transfers made in accordance with the provisions of this section shall
29 be considered to be demand transfers from the state general fund, except
30 that all such transfers during fiscal year 2014 shall be considered to be
31 revenue transfers from the state general fund.

32 (c) The state treasurer shall apportion and pay the amounts transferred
33 under subsection (b) to the several county treasurers on January 15 and on
34 July 15 in each year as follows: (1) Sixty-five percent of the amount to be
35 distributed shall be apportioned on the basis of the population figures of
36 the counties certified to the secretary of state pursuant to K.S.A. 11-201,

1 and amendments thereto, on July 1 of the preceding year; and (2) thirty-
2 five percent of such amount shall be apportioned on the basis of the
3 equalized assessed tangible valuations on the tax rolls of the counties on
4 November 1 of the preceding year as certified by the director of property
5 valuation.

6 **New Sec. 2. (a) Subject to the provisions of K.S.A. 79-2925b,**
7 **and amendments thereto, if the total taxable real property valuation in**
8 **any municipality increases due to increases in the assessed valuation of**
9 **existing real property, then the governing body shall lower the mill**
10 **levy rate to such rate that would equal the amount of ad valorem**
11 **property taxes levied in the next preceding year. This subsection shall**
12 **not apply to ad valorem taxes levied under K.S.A. 72-6431, 76-6b01**
13 **and 76-6b05, and amendments thereto, or any other ad valorem tax**
14 **levy which was previously approved by the voters of such**
15 **municipality. Property that, in the current year, is new construction,**
16 **is located within added jurisdictional territory, or has changed in use**
17 **shall not be considered when determining whether the total taxable**
18 **real property valuation has increased from the prior year.**

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

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

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

31 **Sec. 3. K.S.A. 2011 Supp. 79-2925b is hereby amended to read as**
32 **follows: 79-2925b. (a) ~~Without adoption of a resolution or ordinance so~~**
33 **~~providing, the governing body of any taxing subdivision shall not approve~~**
34 ***The governing body of any taxing subdivision shall adopt a resolution or***
35 ***ordinance approving any appropriation or budget, as the case requires,***
36 **which may be funded by revenue produced from property taxes, and**
37 **which provides for funding with such revenue in an amount exceeding**
38 **that of the next preceding year, except with regard to revenue**
39 **produced and attributable to the taxation of: (1) New improvements to**
40 **real property;**

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

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

1 **(4) property which has changed in use.**

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

5 ~~(c) The provisions of this section shall not apply to community~~
6 ~~colleges or unified school districts.~~

7 ~~(d)~~ **The provisions of this section shall not apply to revenue**
8 **received from property tax levied for the sole purpose of repayment of**
9 **the principal of and interest upon bonded indebtedness, temporary**
10 **notes and no-fund warrants.**

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

14 ~~Sec.-2.~~ **4.** K.S.A. 2011 Supp. **79-2925b** and 79-2959 **is are** hereby
15 repealed.

16 ~~Sec.-3.~~ **5.** This act shall take effect and be in force from and after its
17 publication in the statute book.
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