

HOUSE BILL No. 2376

By Committee on Taxation

3-6

1 AN ACT concerning property taxation; relating to cities and counties,
2 approval of budgets, notice and election requirements; amending
3 K.S.A. 2016 Supp. 79-2925c and repealing the existing section.
4

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

6 New Section 1. (a) On and after January 1, 2017, the governing body
7 of any city or county may approve any budget that provides for funding by
8 property tax revenues in an amount exceeding that provided for in K.S.A.
9 79-2925c, and amendments thereto.

10 (b) No such increase shall become effective unless the governing
11 body of the city or county adopts and publishes a notice once in the official
12 city or county newspaper. The notice shall be substantially as follows:

13 Notice Regarding Budget for (insert correct tax year)

14 The governing body of the city of (county of) _____, Kansas,
15 has completed a preliminary proposed budget for tax year (insert
16 year)_____. The governing body has determined that it will be
17 necessary to budget property tax revenues in an amount greater than that
18 provided by K.S.A. 79-2925c, and amendments thereto. The estimated
19 property tax revenue required for tax year _____ is \$ _____. This
20 is an estimated increase of \$ _____ over the revenue collected for tax
21 year _____. The governing body will act to adopt the budget for tax
22 year _____ unless a petition in opposition to the same, signed by
23 qualified voters of such city (county) equal in number to not less than 10%
24 of the total vote cast in such city (county) at the last preceding general
25 election for the office of president of the United States is filed in the office
26 of the city (county) clerk within 21 days of the publication of this notice. If
27 a valid petition is filed, the governing body may either submit the question
28 to an election on whether the property tax revenue increase required to
29 fund the proposed budget shall be authorized or adopt a budget for the tax
30 year in an amount not greater than that provided by K.S.A. 79-2925c, and
31 amendments thereto. If an election is called, it shall be called and held as
32 provided in K.S.A. 79-2925c, and amendments thereto.
33

34 _____
City (County) Clerk

35 Date: _____

36 Sec. 2. K.S.A. 2016 Supp. 79-2925c is hereby amended to read as

1 follows: 79-2925c. (a) (1) On and after January 1, 2017, *except as*
2 *provided in section 1, and amendments thereto*, the governing body of any
3 city or county shall not approve any ~~appropriation or~~ budget which
4 provides for funding by property tax revenues in an amount exceeding that
5 of the next preceding year as adjusted to reflect the average changes in the
6 consumer price index for all urban consumers as published by the United
7 States department of labor for the preceding five calendar years, which
8 shall not be less than zero, ~~unless the city or county approves the~~
9 ~~appropriation or budget with the adoption of a resolution and such~~
10 ~~resolution has been submitted to and approved by a majority of the~~
11 ~~qualified electors of the city or county voting at an election called and held~~
12 ~~thereon, except as otherwise provided.~~

13 (2) *If a notice in accordance with section 1, and amendments thereto,*
14 *is published and a valid petition calling for an election is submitted in*
15 *accordance with subsection (b), any resulting election shall be called and*
16 *held in the manner provided herein. The sufficiency of the number of*
17 *signers of any petition filed under this section shall be determined by the*
18 *county election officer. Every election held under this section shall be*
19 *conducted by the county election officer.*

20 (b) *The petition requesting the election shall:*

21 (1) *In a city, be signed by qualified voters of such city equal in*
22 *number to not less than 10% of the total vote cast in such city at the last*
23 *preceding election for the office of the president of the United States, and*
24 *be filed in the office of the city clerk; in a county, be signed by qualified*
25 *voters of such county equal in number to not less than 10% of the total*
26 *vote cast in such county at the last preceding general election for the*
27 *office of the president of the United States, and shall be filed in the office*
28 *of the county clerk;*

29 (2) *comply with all provisions of K.S.A. 25-3601 et seq., and*
30 *amendments thereto, regarding sufficiency, except that the provisions in*
31 *K.S.A. 25-3601(a), and amendments thereto, requiring the approval of the*
32 *county attorney, district attorney or county counselor shall not apply; and*

33 (3) *be filed with the county clerk or city clerk, as the case may be,*
34 *within 21 days of the date of publication of the notice required under*
35 *section 1, and amendments thereto. A petition filed with the city clerk*
36 *shall, within three days of receipt, be submitted to the county election*
37 *officer for verification of signatures. Petition signatures shall be verified*
38 *to the city or county clerk, as the case may be, by the county election*
39 *officer within five calendar days of receipt of the petition.*

40 (c) *In lieu of an election called based upon a petition of the electors,*
41 *the governing body of any city or county may, by a $\frac{2}{3}$ vote of all members*
42 *elected, call such an election for the approval of the budget.*

43 (d) *In any election held hereunder, the proposition shall be: "Shall*

1 the governing body of the city (county) of _____ adopt and approve
 2 the proposed budget in an amount not to exceed \$ _____ for the tax
 3 year beginning January 1, 20__?" If a majority of the electors voting
 4 thereon at such election approve the proposed budget, the governing body
 5 of such city or county shall approve the proposed budget and adopt such
 6 resolution or ordinance as required by law. If a majority of the electors
 7 voting thereon at such election fails to approve the proposed budget, the
 8 governing body of such city or county shall be required to adopt a budget
 9 equal to or less than the budget limit as prescribed by subsection (a)(1).

10 (e) The election shall be called and held in the following manner:

11 (1) The governing body of the city or county shall call an election to
 12 be held not less than 45 days following the verification of the signatures
 13 on the petition.

14 (2) Notice of the election shall be published in the official city or
 15 county newspaper once each week for two consecutive weeks. The first
 16 publication shall not be less than 14 days prior to the election. The notice
 17 shall set forth the time and place of holding the election, the budget
 18 amount authorized by K.S.A. 79-2925c, and amendments thereto, the
 19 preliminary proposed budget, and the difference between the two, and
 20 shall be signed by the county election officer.

21 (3) The elections shall be conducted by the officers or persons
 22 provided by law for holding elections in the city or county.

23 (f) The election shall be called and held in the manner provided by
 24 K.S.A. 10-120, and amendments thereto, and may be:

25 (A)(1) Held at the next regularly scheduled election to be held in
 26 August or November;

27 (B)(2) may be a mail ballot election, conducted in accordance with
 28 K.S.A. 25-431 et seq., and amendments thereto; or

29 (C)(3) may be a special election called by the city or county. Nothing
 30 in this subsection shall prevent any city or county from holding more than
 31 one election in any year. The city or county requesting the election shall be
 32 responsible for paying all costs associated with conducting the election.

33 (b)(g) ~~A resolution~~ The notice by the governing body of a city or
 34 county ~~otherwise or any resulting election~~ required by the provisions of
 35 this section ~~or section 1, and amendments thereto,~~ shall not be required to
 36 be approved by an election required by subsection (a) under the following
 37 circumstances:

38 (1) Increased property tax revenues that, in the current year, are
 39 produced and attributable to the taxation of:

40 (A) The construction of any new structures or improvements or the
 41 remodeling or renovation of any existing structures or improvements on
 42 real property, which shall not include any ordinary maintenance or repair
 43 of any existing structures or improvements on the property;

- 1 (B) increased personal property valuation;
- 2 (C) real property located within added jurisdictional territory;
- 3 (D) real property which has changed in use;
- 4 (E) expiration of any abatement of property from property tax; or
- 5 (F) expiration of a tax increment financing district, rural housing
- 6 incentive district, neighborhood revitalization area or any other similar
- 7 property tax rebate or redirection program.

8 (2) Increased property tax revenues that will be spent on:

9 (A) Bond, temporary notes, no fund warrants, state infrastructure

10 loans and interest payments not exceeding the amount of ad valorem

11 property taxes levied in support of such payments, and payments made to a

12 public building commission and lease payments but only to the extent such

13 payments were obligations that existed prior to July 1, 2016;

14 (B) payment of special assessments not exceeding the amount of ad

15 valorem property taxes levied in support of such payments;

16 (C) court judgments or settlements of legal actions against the city or

17 county and legal costs directly related to such judgments or settlements;

18 (D) expenditures of city or county funds that are specifically

19 mandated by federal or state law with such mandates becoming effective

20 on or after July 1, 2015, and loss of funds from federal sources after

21 January 1, 2017, where the city or county is contractually obligated to

22 provide a service;

23 (E) expenses relating to a federal, state or local disaster or federal,

24 state or local emergency, including, but not limited to, a financial

25 emergency, declared by a federal or state official. The board of county

26 commissioners may request the governor to declare such disaster or

27 emergency; or

28 (F) increased costs above the consumer price index for law

29 enforcement, fire protection or emergency medical services.

30 (3) Any increased property tax revenues generated for law

31 enforcement, fire protection or emergency medical services shall be

32 expended exclusively for these purposes but shall not be used for the

33 construction or remodeling of buildings.

34 (4) The property tax revenues levied by the city or county have

35 declined:

36 (A) In one or more of the next preceding three calendar years and the

37 increase in the amount of funding for the budget or appropriation from

38 revenue produced from property taxes does not exceed the average amount

39 of funding from such revenue of the next preceding three calendar years,

40 adjusted to reflect changes in the consumer price index for all urban

41 consumers as published by the United States department of labor for the

42 preceding calendar year; or

43 (B) the increase in the amount of ad valorem tax to be levied is less

1 than the change in the consumer price index plus the loss of assessed
2 property valuation that has occurred as the result of legislative action,
3 judicial action or a ruling by the board of tax appeals.

4 (5) Whenever a city or county is required by law to levy taxes for the
5 financing of the budget of any political or governmental subdivision of this
6 state that is not authorized by law to levy taxes on its own behalf, and the
7 governing body of such city or county is not authorized or empowered to
8 modify or reduce the amount of taxes levied therefore, the tax levies of the
9 political or governmental subdivision shall not be included in or
10 considered in computing the aggregate limitation upon the property tax
11 levies of the city or county.

12 Sec. 3. K.S.A. 2016 Supp. 79-2925c is hereby repealed.

13 Sec. 4. This act shall take effect and be in force from and after its
14 publication in the Kansas register.