

**HOUSE BILL No. 2424**

By Committee on Taxation

5-2

1 AN ACT concerning property taxation; relating to cities and counties,  
2 approval of budgets with increased property tax revenues, election  
3 requirements, exception for certain employee benefits; amending  
4 K.S.A. 2016 Supp. 79-2925c and repealing the existing section.

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

7 Section 1. K.S.A. 2016 Supp. 79-2925c is hereby amended to read as  
8 follows: 79-2925c. (a) (1) On and after January 1, 2017, the governing  
9 body of any city or county shall not approve any appropriation or budget  
10 which provides for funding by property tax revenues in an amount  
11 exceeding that of the next preceding year as adjusted to reflect the average  
12 changes in the consumer price index for all urban consumers as published  
13 by the United States department of labor for the preceding five calendar  
14 years, which shall not be less than zero, unless the city or county approves  
15 the appropriation or budget with the adoption of a resolution and such  
16 resolution has been submitted to and approved by a majority of the  
17 qualified electors of the city or county voting at an election called and held  
18 thereon, except as otherwise provided.

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

21 (A) Held at the next regularly scheduled election to be held in August  
22 or November;

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

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

29 (b) A resolution by the governing body of a city or county otherwise  
30 required by the provisions of this section shall not be required to be  
31 approved by an election required by subsection (a) under the following  
32 circumstances:

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

35 (A) The construction of any new structures or improvements or the  
36 remodeling or renovation of any existing structures or improvements on

- 1 real property, which shall not include any ordinary maintenance or repair  
2 of any existing structures or improvements on the property;
- 3 (B) increased personal property valuation;
- 4 (C) real property located within added jurisdictional territory;
- 5 (D) real property which has changed in use;
- 6 (E) expiration of any abatement of property from property tax; or
- 7 (F) expiration of a tax increment financing district, rural housing  
8 incentive district, neighborhood revitalization area or any other similar  
9 property tax rebate or redirection program.
- 10 (2) Increased property tax revenues that will be spent on:
- 11 (A) Bond, temporary notes, no fund warrants, state infrastructure  
12 loans and interest payments not exceeding the amount of ad valorem  
13 property taxes levied in support of such payments, and payments made to a  
14 public building commission and lease payments but only to the extent such  
15 payments were obligations that existed prior to July 1, 2016;
- 16 (B) payment of special assessments not exceeding the amount of ad  
17 valorem property taxes levied in support of such payments;
- 18 (C) court judgments or settlements of legal actions against the city or  
19 county and legal costs directly related to such judgments or settlements;
- 20 (D) expenditures of city or county funds that are specifically  
21 mandated by federal or state law with such mandates becoming effective  
22 on or after July 1, 2015, and loss of funds from federal sources after  
23 January 1, 2017, where the city or county is contractually obligated to  
24 provide a service;
- 25 (E) expenses relating to a federal, state or local disaster or federal,  
26 state or local emergency, including, but not limited to, a financial  
27 emergency, declared by a federal or state official. The board of county  
28 commissioners may request the governor to declare such disaster or  
29 emergency; ~~or~~
- 30 (F) increased costs above the consumer price index for law  
31 enforcement, fire protection or emergency medical services; *or*
- 32 (G) *increases in employer contributions for social security, workers*  
33 *compensation, unemployment insurance, health-care costs, employee*  
34 *benefit plans and employee retirement and pension programs.*
- 35 (3) Any increased property tax revenues generated for law  
36 enforcement, fire protection or emergency medical services shall be  
37 expended exclusively for these purposes but shall not be used for the  
38 construction or remodeling of buildings.
- 39 (4) The property tax revenues levied by the city or county have  
40 declined:
- 41 (A) In one or more of the next preceding three calendar years and the  
42 increase in the amount of funding for the budget or appropriation from  
43 revenue produced from property taxes does not exceed the average amount

1 of funding from such revenue of the next preceding three calendar years,  
2 adjusted to reflect changes in the consumer price index for all urban  
3 consumers as published by the United States department of labor for the  
4 preceding calendar year; or

5 (B) the increase in the amount of ad valorem tax to be levied is less  
6 than the change in the consumer price index plus the loss of assessed  
7 property valuation that has occurred as the result of legislative action,  
8 judicial action or a ruling by the board of tax appeals.

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

17 Sec. 2. K.S.A. 2016 Supp. 79-2925c is hereby repealed.

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