

SENATE BILL No. 316

By Senator LaTurner

1-8

1 AN ACT concerning property taxation; amending K.S.A. 2015 Supp. 79-
2 1801 and 79-2925b and repealing the existing sections.

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

5 Section 1. K.S.A. 2015 Supp. 79-1801 is hereby amended to read as
6 follows: 79-1801. (a) Except as provided by subsection (b), each year the
7 governing body of any city, the trustees of any township, the board of
8 education of any school district and the governing bodies of all other
9 taxing subdivisions shall certify, on or before August 25, to the proper
10 county clerk the amount of ad valorem tax to be levied. Thereupon, the
11 county clerk shall place the tax upon the tax roll of the county, in the
12 manner prescribed by law, and the tax shall be collected by the county
13 treasurer. The county treasurer shall distribute the proceeds of the taxes
14 levied by each taxing subdivision in the manner provided by K.S.A. 12-
15 1678a, and amendments thereto.

16 (b) ~~In 2005, the board of education of any school district shall certify,~~
17 ~~on or before September 7~~ *If the governing body of a city or county must*
18 *conduct an election for an increase in property tax to fund any*
19 *appropriation or budget under K.S.A. 2015 Supp. 79-2925b(g), and*
20 *amendments thereto, the governing body of the city or county shall certify,*
21 *on or before October 1,* to the ~~proper~~ county clerk the amount of ad
22 valorem tax to be levied.

23 Sec. 2. K.S.A. 2015 Supp. 79-2925b is hereby amended to read as
24 follows: 79-2925b. (a) Without a majority vote so providing, the governing
25 body of any municipality shall not approve any appropriation or budget, as
26 the case requires, which may be funded by revenue produced from
27 property taxes, and which provides for funding with such revenue in an
28 amount exceeding that of the next preceding year, adjusted to reflect
29 changes in the consumer price index for all urban consumers as published
30 by the United States department of labor for the preceding calendar year. If
31 the total tangible property valuation in any municipality increases from the
32 next preceding year due to increases in the assessed valuation of existing
33 tangible property and such increase exceeds changes in the consumer price
34 index, the governing body shall lower the amount of ad valorem tax to be
35 levied to the amount of ad valorem tax levied in the next preceding year,
36 adjusted to reflect changes in the consumer price index. This subsection

1 shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-
2 6b04 and K.S.A. 2015 Supp. 72-6470, and amendments thereto, and any
3 other ad valorem tax levy which was previously approved by the voters of
4 such municipality. Except as provided in subsection (g), notwithstanding
5 the requirements of this subsection, nothing herein shall prohibit a
6 municipality from increasing the amount of ad valorem tax to be levied if
7 the municipality approves the increase with a majority vote of the
8 governing body by the adoption of a resolution and publishes such vote as
9 provided in subsection (c).

10 (b) Revenue that, in the current year, is produced and attributable to
11 the taxation of:

12 (1) New improvements to real property;

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

15 (3) property located within added jurisdictional territory; or

16 (4) property which has changed in use shall not be considered when
17 determining whether revenue produced from property has increased from
18 the next preceding year.

19 (c) In the event the governing body votes to approve any
20 appropriation or budget, as the case requires, which may be funded by
21 revenue produced from property taxes, and which provides for funding
22 with such revenue in an amount exceeding that of the next preceding year
23 as provided in subsection (a), notice of such vote shall be published in the
24 official county newspaper of the county where such municipality is
25 located.

26 (d) The provisions of this section shall be applicable to all fiscal and
27 budget years commencing on and after the effective date of this act.

28 (e) The provisions of this section shall not apply to revenue received
29 from property tax levied for the sole purpose of repayment of the principal
30 of and interest upon bonded indebtedness, temporary notes and no-fund
31 warrants.

32 (f) For purposes of this section, "municipality" means any political
33 subdivision of the state which levies an ad valorem tax on property and
34 includes, but is not limited to, any county, township, municipal university,
35 school district, community college, drainage district or other taxing
36 district. "Municipality" shall not include any such political subdivision or
37 taxing district which receives \$1,000 or less in revenue from property
38 taxes in the current year.

39 (g) On and after ~~January 1, 2018~~ *July 1, 2016*: (1) In the case of cities
40 and counties, any resolution by the governing body otherwise required by
41 this section to adopt any appropriation or budget which provides for
42 funding by property tax revenue in an amount exceeding that of the next
43 preceding year as adjusted pursuant to subsection (a) to reflect changes in

1 the consumer price index, shall not become effective unless such
2 resolution has been submitted to and approved by a majority of the
3 qualified electors of the city or county voting at an election called and held
4 thereon, except as otherwise provided. The election shall be called and
5 held in the manner provided by K.S.A. 10-120, and amendments thereto,
6 at the next regularly scheduled election to be held in August or November,
7 or may be a mail ballot election, conducted in accordance with K.S.A. 25-
8 431 et seq., and amendments thereto, or may be a special election called
9 by the city or county. Nothing in this subsection shall prevent any city or
10 county from holding more than one election in any year.

11 (2) A resolution by the governing body of a city or county otherwise
12 required by the provisions of this section shall not be required to be
13 approved by an election required by subsection (g)(1) under the following
14 circumstances:

15 (A) The increase in the amount of ad valorem tax to be levied that is
16 greater than the change in the consumer price index is due to:

17 ~~(i) Costs for new infrastructure or improvements to existing~~
18 ~~infrastructure to support new improvements to property exempt from~~
19 ~~property taxation pursuant to the provisions of K.S.A. 79-201 et seq., and~~
20 ~~amendments thereto, such as hospitals, schools and churches, or exempt~~
21 ~~additions to or improvements to property so exempt from property~~
22 ~~taxation;~~

23 (ii) Bond and interest payments;

24 ~~(iii)~~ (ii) an increase in property subject to taxation as the result of the
25 expiration of any abatement of property from property tax;

26 ~~(iv) increases in road construction costs when such construction has~~
27 ~~been once approved by a resolution of the governing body of the city or~~
28 ~~county;~~

29 ~~(v)~~ (iii) special assessments;

30 ~~(vi) judgments levied against the city or county or expenses for legal~~
31 ~~counsel and for defense of legal actions against the city or county or~~
32 ~~officers of the city or county;~~

33 ~~(vii) new expenditures that are specifically mandated by federal or~~
34 ~~state law; or~~

35 (viii) an increase in property subject to taxation as the result of new
36 construction; *or*

37 (B) the assessed valuation has declined in one or more of the next
38 preceding three calendar years and the increase in the amount of funding
39 for the budget or appropriation from revenue produced from property taxes
40 does not exceed the average amount of funding from such revenue of the
41 next preceding three calendar years, adjusted to reflect changes in the
42 consumer price index for all urban consumers as published by the United
43 States department of labor for the preceding calendar year; ~~or~~

1 ~~(C) the increase in the amount of ad valorem tax to be levied is less~~
2 ~~than the change in the consumer price index plus the loss of assessed~~
3 ~~property valuation that has occurred as the result of legislative action,~~
4 ~~judicial action or a ruling by the board of tax appeals.~~

5 Sec. 3. K.S.A. 2015 Supp. 79-1801 and 79-2925b are hereby
6 repealed.

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