

**SENATE BILL No. 465**

By Committee on Education

2-6

1 AN ACT concerning education; relating to school districts; authorizing  
2 school districts to levy an annual levy of up to two mills for the  
3 purposes of school building safety, security and compliance with the  
4 Americans with disabilities act; including such levy in the capital  
5 outlay state aid determination for school districts; amending K.S.A. 12-  
6 1770a and 72-53,126 and repealing the existing sections.

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

9 New Section 1. (a) The board of education of any school district may  
10 make an annual tax levy at a mill rate not to exceed two mills upon the  
11 taxable tangible property in the school district for the purposes of  
12 acquisition, construction, reconstruction, repair, remodeling, additions to,  
13 furnishing, maintaining and equipping of school district property and  
14 equipment necessary for: (1) School safety and security expenses; and (2)  
15 school building expenses to achieve or maintain compliance with the  
16 Americans with disabilities act and, with respect to any redevelopment  
17 district established prior to July 1, 2024, pursuant to K.S.A. 12-1771, and  
18 amendments thereto, for the purpose of paying a portion of the principal  
19 and interest on bonds issued by cities under the authority of K.S.A. 12-  
20 1774, and amendments thereto, for the financing of redevelopment  
21 projects upon property located within the school district. No levy shall be  
22 made under this act until a resolution is adopted by the board of education  
23 in the following form:

24 Unified School District No. \_\_\_\_\_,  
25 \_\_\_\_\_ County, Kansas.

26 **RESOLUTION**

27 **Be It Resolved that:**

28 The above-named school board shall be authorized to make an annual  
29 tax levy in an amount not to exceed \_\_\_\_\_ mills upon the taxable tangible  
30 property in the school district for the purpose of acquisition, construction,  
31 reconstruction, repair, remodeling, additions to, furnishing, maintaining  
32 and equipping of school district property and equipment necessary for  
33 school district purposes, including: (1) School safety and security  
34 expenses; and (2) school building expenses to achieve or maintain  
35 compliance with the Americans with disabilities act and, with respect to  
36 any redevelopment district established prior to July 1, 2024, pursuant to

1 K.S.A. 12-1771, and amendments thereto, for the purpose of paying a  
 2 portion of the principal and interest on bonds issued by cities under the  
 3 authority of K.S.A. 12-1774, and amendments thereto, for the financing of  
 4 redevelopment projects upon property located within the school district.  
 5 The tax levy authorized by this resolution may be made, unless a petition  
 6 in opposition to the same, signed by not less than 10% of the qualified  
 7 electors of the school district, is filed with the county election officer of  
 8 the home county of the school district within 40 calendar days after the last  
 9 publication of this resolution. In the event a petition is filed, the county  
 10 election officer shall submit the question of whether the tax levy shall be  
 11 authorized to the electors in the school district at an election called for that  
 12 purpose or at the next general election, as is specified by the board of  
 13 education of the above school district.

14 CERTIFICATE

15 This is to certify that the above resolution was duly adopted by the  
 16 board of education of Unified School District No. \_\_\_\_\_,  
 17 County, Kansas, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

18 \_\_\_\_\_  
 19 Clerk of the board of education.  
 20

21 (b) All of the blanks in the above resolution shall be appropriately  
 22 filled. The blank preceding the word "mills" shall be filled with a specific  
 23 number. The resolution shall be published once a week for two consecutive  
 24 weeks in a newspaper having general circulation in the school district. If  
 25 no petition as specified above is filed in accordance with the provisions of  
 26 the resolution, the board of education may make the tax levy specified in  
 27 the resolution. If a petition is filed as provided in the resolution, the board  
 28 of education may notify the county election officer of the date of an  
 29 election to be held to submit the question of whether the tax levy shall be  
 30 authorized. If the board of education fails to notify the county election  
 31 officer within 60 calendar days after a petition is filed, the resolution shall  
 32 be deemed abandoned and no like resolution shall be adopted by the board  
 33 of education within the nine months following the first publication of the  
 34 resolution.

35 (c) If any school district is unconditionally authorized to make a  
 36 capital outlay tax levy, but the board of education of such school district  
 37 chooses, in any year, not to make such tax levy, or chooses to make a  
 38 smaller tax levy for such purpose, such board of education may do so. If  
 39 the board of education of any school district refrains from making a levy in  
 40 any one or more years or refrains from making the full levy that it is  
 41 authorized to make under this section, and the resolution adopted  
 42 hereunder, the authority of such school district to make a capital outlay tax  
 43 levy shall not thereby be extended beyond the original period specified in

1 the resolution adopted under this section, nor shall the mill rate of the tax  
2 authorized in any succeeding year be increased thereby.

3 (d) Whenever an initial resolution has been adopted under this  
4 section, and such resolution specified a lesser mill rate than the rate of two  
5 mills authorized by subsection (a) or a lesser number of years than five,  
6 the board of education of the school district may adopt a second resolution  
7 under the same procedure as is provided in this section, for the initial  
8 resolution and subject to the same conditions and for the same purposes as  
9 provided in this section, and shall be authorized to make such additional  
10 tax levy as is specified in such second resolution for the remainder of the  
11 five years succeeding the adoption of the initial resolution. Any such  
12 second resolution shall be limited in amount as specified in this section  
13 less such amount as has been authorized in the initial resolution, and not to  
14 exceed two mills in any one year. In the event that any such resolution is  
15 so adopted and the tax levy therein specified is approved under, the  
16 amount of bonds that may be issued under K.S.A. 72-53,117, and  
17 amendments thereto, may be increased accordingly.

18 (e) The board of education of any school district that has made a tax  
19 levy under this section, may at any time initiate procedures to renew its  
20 authority to make an annual tax levy in the amount and upon the  
21 conditions and in the manner specified in this section. Except as otherwise  
22 provided by its terms, any initial resolution adopted pursuant to this  
23 section, shall remain in full force and effect until such time as a second  
24 resolution becomes effective, at which time the initial resolution shall  
25 become null and void.

26 (f) (1) No ad valorem tax exemption for real or personal property  
27 granted after July 1, 2024, by the board of tax appeals pursuant to the  
28 provisions of either:

29 (A) Section 13 of article 11 of the constitution of the state of Kansas;  
30 or

31 (B) K.S.A. 12-1740 et seq. and 79-201a *Second* or *Twenty-Fourth*,  
32 and amendments thereto, for any property purchased with the proceeds of  
33 revenue bonds shall be deemed to exempt any such property from the ad  
34 valorem property tax levied by a school district pursuant to this section.

35 (2) This subsection shall not apply to exemptions granted by the  
36 board of tax appeals when the associated resolution of intent, letter of  
37 intent or inducement resolution to issue revenue bonds and grant property  
38 tax abatement was approved by any governing body of any city or the  
39 board of commissioners of any county or the public hearing required by  
40 K.S.A. 79-251, and amendments thereto, was conducted prior to July 1,  
41 2024.

42 (g) As used in this section, "unconditionally authorized to make a  
43 capital outlay tax levy" means that the school district has adopted a

1 resolution under this section, has published such resolution and either the  
 2 resolution was not protested or it was protested and an election has been  
 3 held by which the tax levy specified in the resolution was approved.

4 New Sec. 2. Each levy of an annual tax pursuant to K.S.A. 72-53,113,  
 5 and amendments thereto, and section 1, and amendments thereto, by a  
 6 school district shall be considered part of such school district's aggregate  
 7 capital outlay levy, and shall be included in the determination of such  
 8 school district's capital outlay state aid payment and distribution pursuant  
 9 to K.S.A. 72-53,126, and amendments thereto.

10 Sec. 3. K.S.A. 12-1770a is hereby amended to read as follows: 12-  
 11 1770a. As used in this act, the following words and phrases shall have the  
 12 following meanings unless a different meaning clearly appears from the  
 13 content:

14 (a) "Auto race track facility" means: (1) An auto race track facility  
 15 and facilities directly related and necessary to the operation of an auto race  
 16 track facility, including, but not limited to, grandstands, suites and viewing  
 17 areas, concessions, souvenir facilities, catering facilities, visitor and retail  
 18 centers, signage and temporary hospitality facilities, but excluding (2)  
 19 hotels, motels, restaurants and retail facilities, not directly related to or  
 20 necessary to the operation of such facility.

21 (b) "Base year assessed valuation" means the assessed valuation of all  
 22 real property within the boundaries of a redevelopment district on the date  
 23 the redevelopment district was established.

24 (c) "Blighted area" means an area which:

25 (1) Because of the presence of a majority of the following factors,  
 26 substantially impairs or arrests the development and growth of the  
 27 municipality or constitutes an economic or social liability or is a menace to  
 28 the public health, safety, morals or welfare in its present condition and use:

29 (A) A substantial number of deteriorated or deteriorating structures;  
 30 (B) predominance of defective or inadequate street layout;  
 31 (C) unsanitary or unsafe conditions;  
 32 (D) deterioration of site improvements;  
 33 (E) tax or special assessment delinquency exceeding the fair market  
 34 value of the real property;

35 (F) defective or unusual conditions of title including, but not limited  
 36 to, cloudy or defective titles, multiple or unknown ownership interests to  
 37 the property;

38 (G) improper subdivision or obsolete platting or land uses;

39 (H) the existence of conditions ~~which~~ *that* endanger life or property  
 40 by fire or other causes; or

41 (I) conditions ~~which~~ *that* create economic obsolescence;

42 (2) has been identified by any state or federal environmental agency  
 43 as being environmentally contaminated to an extent that requires a

1 remedial investigation; feasibility study and remediation or other similar  
2 state or federal action;

3 (3) a majority of the property is a 100-year floodplain area; or

4 (4) previously was found by resolution of the governing body to be a  
5 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments  
6 thereto.

7 (d) "Conservation area" means any improved area comprising 15% or  
8 less of the land area within the corporate limits of a city ~~in which~~ *where*  
9 50% or more of the structures in the area have an age of 35 years or more,  
10 ~~which and such~~ area is not yet blighted, but may become a blighted area  
11 due to the existence of a combination of two or more of the following  
12 factors:

13 (1) Dilapidation, obsolescence or deterioration of the structures;

14 (2) illegal use of individual structures;

15 (3) the presence of structures below minimum code standards;

16 (4) building abandonment;

17 (5) excessive vacancies;

18 (6) overcrowding of structures and community facilities; or

19 (7) inadequate utilities and infrastructure.

20 (e) "De minimus" means an amount less than 15% of the land area  
21 within a redevelopment district.

22 (f) "Developer" means any person, firm, corporation, partnership or  
23 limited liability company, other than a city and other than an agency,  
24 political subdivision or instrumentality of the state or a county when  
25 relating to a bioscience development district.

26 (g) "Eligible area" means a blighted area, conservation area,  
27 enterprise zone, intermodal transportation area, major tourism area or a  
28 major commercial entertainment and tourism area, bioscience  
29 development area or a building or buildings ~~which that~~ are 65 years of age  
30 or older and any contiguous vacant or condemned lots.

31 (h) "Enterprise zone" means an area within a city that was designated  
32 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107  
33 through 12-17,113, and amendments thereto, prior to its repeal and the  
34 conservation, development or redevelopment of the area is necessary to  
35 promote the general and economic welfare of such city.

36 (i) "Environmental increment" means the increment determined  
37 pursuant to K.S.A. 12-1771a(b), and amendments thereto.

38 (j) "Environmentally contaminated area" means an area of land  
39 having contaminated groundwater or soil ~~which is~~ deemed  
40 environmentally contaminated by the department of health and  
41 environment or the United States environmental protection agency.

42 (k) (1) "Feasibility study" means:

43 (A) A study ~~which that~~ shows whether a redevelopment project's or

1 bioscience development project's benefits and tax increment revenue and  
2 other available revenues under K.S.A. 12-1774(a)(1), and amendments  
3 thereto, are expected to exceed or be sufficient to pay for the  
4 redevelopment or bioscience development project costs; and

5 (B) the effect, if any, the redevelopment project costs or bioscience  
6 development project will have on any outstanding special obligation bonds  
7 payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and  
8 amendments thereto.

9 (2) For a redevelopment project or bioscience project financed by  
10 bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and  
11 amendments thereto, the feasibility study must also include:

12 (A) A statement of how the taxes obtained from the project will  
13 contribute significantly to the economic development of the jurisdiction ~~in~~  
14 ~~which~~ where the project is located;

15 (B) a statement concerning whether a portion of the local sales and  
16 use taxes are pledged to other uses and are unavailable as revenue for the  
17 redevelopment project. If a portion of local sales and use taxes is so  
18 committed, the applicant shall describe the following:

19 (i) The percentage of sales and use taxes collected that are so  
20 committed; and

21 (ii) the date or dates on which the local sales and use taxes pledged to  
22 other uses can be pledged for repayment of special obligation bonds;

23 (C) an anticipated principal and interest payment schedule on the  
24 bonds;

25 (D) following approval of the redevelopment plan, the feasibility  
26 study shall be supplemented to include a copy of the minutes of the  
27 governing body meeting or meetings of any city whose bonding authority  
28 will be utilized in the project, evidencing that a redevelopment plan has  
29 been created, discussed, and adopted by the city in a regularly scheduled  
30 open public meeting; and

31 (E) the failure to include all information enumerated in this  
32 subsection in the feasibility study for a redevelopment or bioscience  
33 project shall not affect the validity of bonds issued pursuant to this act.

34 (l) "Major tourism area" means an area for which the secretary has  
35 made a finding the capital improvements costing not less than  
36 \$100,000,000 will be built in the state to construct an auto race track  
37 facility.

38 (m) "Real property taxes" means all taxes levied on an ad valorem  
39 basis upon land and improvements thereon, except that "real property  
40 taxes" does not include:

41 (1) Property taxes levied by school districts pursuant to K.S.A. 72-  
42 5142, and amendments thereto, when relating to a bioscience development  
43 district; ~~and~~

1 (2) property taxes levied by school districts pursuant to K.S.A. 72-  
2 53,113, and amendments thereto, when relating to a bioscience  
3 development district or a redevelopment district established on or after  
4 July 1, 2017; and

5 (3) *property taxes levied by school districts pursuant to section 1,*  
6 *and amendments thereto, when relating to a bioscience development*  
7 *district or a redevelopment district established on or after July 1, 2024.*

8 (n) "Redevelopment project area" means an area designated by a city  
9 within a redevelopment district or, if the redevelopment district is  
10 established for an intermodal transportation area, an area designated by a  
11 city within or outside of the redevelopment district.

12 (o) "Redevelopment project costs" means: (1) Those costs necessary  
13 to implement a redevelopment project plan or a bioscience development  
14 project plan, including costs incurred for:

- 15 (A) Acquisition of property within the redevelopment project area;
- 16 (B) payment of relocation assistance pursuant to a relocation  
17 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
- 18 (C) site preparation including utility relocations;
- 19 (D) sanitary and storm sewers and lift stations;
- 20 (E) drainage conduits, channels, levees and river walk canal facilities;
- 21 (F) street grading, paving, graveling, macadamizing, curbing,  
22 guttering and surfacing;
- 23 (G) street light fixtures, connection and facilities;
- 24 (H) underground gas, water, heating and electrical services and  
25 connections located within the public right-of-way;
- 26 (I) sidewalks and pedestrian underpasses or overpasses;
- 27 (J) drives and driveway approaches located within the public right-of-  
28 way;
- 29 (K) water mains and extensions;
- 30 (L) plazas and arcades;
- 31 (M) major multi-sport athletic complex;
- 32 (N) museum facility;
- 33 (O) parking facilities including multilevel parking facilities;
- 34 (P) landscaping and plantings, fountains, shelters, benches,  
35 sculptures, lighting, decorations and similar amenities;
- 36 (Q) related expenses to redevelop and finance the redevelopment  
37 project;
- 38 (R) for purposes of an incubator project, such costs ~~shall~~ also include  
39 wet lab equipment including hoods, lab tables, heavy water equipment and  
40 all such other equipment found to be necessary or appropriate for a  
41 commercial incubator wet lab facility by the city in its resolution  
42 establishing such redevelopment district or a bioscience development  
43 district;

1 (S) costs for the acquisition of land for and the construction and  
2 installation of publicly-owned infrastructure improvements—~~which that~~  
3 serve an intermodal transportation area and are located outside of a  
4 redevelopment district; and

5 (T) costs for infrastructure located outside the redevelopment district  
6 but contiguous to any portion of the redevelopment district and such  
7 infrastructure is necessary for the implementation of the redevelopment  
8 plan as determined by the city.

9 (2) "Redevelopment project costs" ~~shall~~does not include:

10 (A) Costs incurred in connection with the construction of buildings or  
11 other structures to be owned by or leased to a developer, however, ~~the~~  
12 "redevelopment project costs" ~~shall include~~ includes costs incurred in  
13 connection with the construction of buildings or other structures to be  
14 owned or leased to a developer—~~which that~~ includes an auto race track  
15 facility or a multilevel parking facility.

16 (B) In addition, for a redevelopment project financed with special  
17 obligation bonds payable from the revenues described in K.S.A. 12-  
18 1774(a)(1)(D), and amendments thereto, "redevelopment project costs"  
19 ~~shall~~does not include:

20 (i) Fees and commissions paid to developers, real estate agents,  
21 financial advisors or any other consultants who represent the developers or  
22 any other businesses considering locating in or located in a redevelopment  
23 district;

24 (ii) salaries for local government employees;

25 (iii) moving expenses for employees of the businesses locating within  
26 the redevelopment district;

27 (iv) property taxes for businesses that locate in the redevelopment  
28 district;

29 (v) lobbying costs;

30 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-  
31 1742, and amendments thereto;

32 (vii) any personal property, as defined in K.S.A. 79-102, and  
33 amendments thereto; and

34 (viii) travel, entertainment and hospitality.

35 (p) "Redevelopment district" means the specific area declared to be  
36 an eligible area—~~in which~~ where the city may develop one or more  
37 redevelopment projects.

38 (q) "Redevelopment district plan" or "district plan" means the  
39 preliminary plan that identifies all of the proposed redevelopment project  
40 areas and identifies in a general manner all of the buildings, facilities and  
41 improvements in each that are proposed to be constructed or improved in  
42 each redevelopment project area or, if the redevelopment district is  
43 established for an intermodal transportation area, in or outside of the



1 redevelopment district.

2 (r) "Redevelopment project" means the approved project to  
3 implement a project plan for the development of the established  
4 redevelopment district.

5 (s) "Redevelopment project plan" means the plan adopted by a  
6 municipality for the development of a redevelopment project or projects  
7 ~~which~~ that conforms with K.S.A. 12-1772, and amendments thereto, in a  
8 redevelopment district.

9 (t) "Substantial change" means, as applicable, a change wherein the  
10 proposed plan or plans differ substantially from the intended purpose for  
11 which the district plan or project plan was approved.

12 (u) "Tax increment" means that amount of real property taxes  
13 collected from real property located within the redevelopment district that  
14 is in excess of the amount of real property taxes ~~which~~ is collected from  
15 the base year assessed valuation.

16 (v) "Taxing subdivision" means the county, city, unified school  
17 district and any other taxing subdivision levying real property taxes, the  
18 territory or jurisdiction of which includes any currently existing or  
19 subsequently created redevelopment district including a bioscience  
20 development district.

21 (w) "River walk canal facilities" means a canal and related water  
22 features ~~which~~ that flows through a redevelopment district and facilities  
23 related or contiguous thereto, including, but not limited to pedestrian  
24 walkways and promenades, landscaping and parking facilities.

25 (x) "Major commercial entertainment and tourism area" may include,  
26 but not be limited to, a major multi-sport athletic complex.

27 (y) "Major multi-sport athletic complex" means an athletic complex  
28 that is utilized for the training of athletes, the practice of athletic teams, the  
29 playing of athletic games or the hosting of events. Such project may  
30 include playing fields, parking lots and other developments including  
31 grandstands, suites and viewing areas, concessions, souvenir facilities,  
32 catering facilities, visitor centers, signage and temporary hospitality  
33 facilities, but excluding hotels, motels, restaurants and retail facilities, not  
34 directly related to or necessary to the operation of such facility.

35 (z) "Bioscience" means the use of compositions, methods and  
36 organisms in cellular and molecular research, development and  
37 manufacturing processes for such diverse areas as pharmaceuticals,  
38 medical therapeutics, medical diagnostics, medical devices, medical  
39 instruments, biochemistry, microbiology, veterinary medicine, plant  
40 biology, agriculture, industrial environmental and homeland security  
41 applications of bioscience and future developments in the biosciences.  
42 Bioscience includes biotechnology and life sciences.

43 (aa) "Bioscience development area" means an area that:

- 1 (1) Is or shall be owned, operated, or leased by, or otherwise under  
2 the control of the Kansas bioscience authority;
- 3 (2) is or shall be used and maintained by a bioscience company; or
- 4 (3) includes a bioscience facility.
- 5 (bb) "Bioscience development district" means the specific area,  
6 created under K.S.A. 12-1771, and amendments thereto, where one or  
7 more bioscience development projects may be undertaken.
- 8 (cc) "Bioscience development project" means an approved project to  
9 implement a project plan in a bioscience development district.
- 10 (dd) "Bioscience development project plan" means the plan adopted  
11 by the authority for a bioscience development project pursuant to K.S.A.  
12 12-1772, and amendments thereto, in a bioscience development district.
- 13 (ee) "Bioscience facility" means real property and all improvements  
14 thereof used to conduct bioscience research, including, without limitation,  
15 laboratory space, incubator space, office space and any and all facilities  
16 directly related and necessary to the operation of a bioscience facility.
- 17 (ff) "Bioscience project area" means an area designated by the  
18 authority within a bioscience development district.
- 19 (gg) "Biotechnology" means those fields focusing on technological  
20 developments in such areas as molecular biology, genetic engineering,  
21 genomics, proteomics, physiomics, nanotechnology, biodefense,  
22 biocomputing, bioinformatics and future developments associated with  
23 biotechnology.
- 24 (hh) "Board" means the board of directors of the Kansas bioscience  
25 authority.
- 26 (ii) "Life sciences" means the areas of medical sciences,  
27 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,  
28 ecology, toxicology, organic chemistry, physical chemistry, physiology and  
29 any future advances associated with life sciences.
- 30 (jj) "Revenue increase" means that amount of real property taxes  
31 collected from real property located within the bioscience development  
32 district that is in excess of the amount of real property taxes ~~which is~~  
33 collected from the base year assessed valuation.
- 34 (kk) "Taxpayer" means a person, corporation, limited liability  
35 company, S corporation, partnership, registered limited liability  
36 partnership, foundation, association, nonprofit entity, sole proprietorship,  
37 business trust, group or other entity that is subject to the Kansas income  
38 tax act, K.S.A. 79-3201 et seq., and amendments thereto.
- 39 (ll) "Floodplain increment" means the increment determined pursuant  
40 to K.S.A. 12-1771e(b), and amendments thereto.
- 41 (mm) "100-year floodplain area" means an area of land existing in a  
42 100-year floodplain as determined by either an engineering study of a  
43 Kansas certified engineer or by the United States federal emergency

1 management agency.

2 (nn) "Major motorsports complex" means a complex in Shawnee  
3 county that is utilized for the hosting of competitions involving motor  
4 vehicles, including, but not limited to, automobiles, motorcycles or other  
5 self-propelled vehicles other than a motorized bicycle or motorized  
6 wheelchair. Such project may include racetracks, all facilities directly  
7 related and necessary to the operation of a motorsports complex,  
8 including, but not limited to, parking lots, grandstands, suites and viewing  
9 areas, concessions, souvenir facilities, catering facilities, visitor and retail  
10 centers, signage and temporary hospitality facilities, but excluding hotels,  
11 motels, restaurants and retail facilities not directly related to or necessary  
12 to the operation of such facility.

13 (oo) "Intermodal transportation area" means an area of not less than  
14 800 acres to be developed primarily to handle the transfer, storage and  
15 distribution of freight through railway and trucking operations.

16 (pp) "Museum facility" means a separate newly-constructed museum  
17 building and facilities directly related and necessary to the operation  
18 thereof, including gift shops and restaurant facilities, but excluding hotels,  
19 motels, restaurants and retail facilities not directly related to or necessary  
20 to the operation of such facility. The museum facility shall be owned by  
21 the state, a city, county, other political subdivision of the state or a non-  
22 profit corporation, shall be managed by the state, a city, county, other  
23 political subdivision of the state or a non-profit corporation and may not  
24 be leased to any developer and shall not be located within any retail or  
25 commercial building.

26 Sec. 4. K.S.A. 72-53,126 is hereby amended to read as follows: 72-  
27 53,126. (a) There is hereby established in the state treasury the school  
28 district capital outlay state aid fund. Such fund shall consist of all moneys  
29 transferred thereto under the provisions of subsection (d).

30 (b) Each school district that levies a tax pursuant to K.S.A. 72-53,113  
31 et seq., and amendments thereto, *or section 1, and amendments thereto*,  
32 shall receive payment from the school district capital outlay state aid fund  
33 in an amount determined by the state board of education as provided in  
34 this section.

35 (c) The state board shall:

36 (1) Determine the amount of the assessed valuation per student of  
37 each school district in the state for the preceding school year and round  
38 such amount to the nearest \$1,000. The rounded amount is the assessed  
39 valuation per student of a school district for the purposes of this  
40 subsection;

41 (2) determine the median assessed valuation per student of all school  
42 districts;

43 (3) prepare a schedule of dollar amounts using the amount of the

1 median assessed valuation per student of all school districts as the point of  
2 beginning. The schedule of dollar amounts shall range upward in equal  
3 \$1,000 intervals from the point of beginning to and including an amount  
4 that is equal to the amount of the assessed valuation per student of the  
5 school district with the highest assessed valuation per student of all school  
6 districts and shall range downward in equal \$1,000 intervals from the point  
7 of beginning to and including an amount that is equal to the amount of the  
8 assessed valuation per student of the school district with the lowest  
9 assessed valuation per student of all school districts;

10 (4) determine a state aid percentage factor for each school district by  
11 assigning a state aid computation percentage to the amount of the median  
12 assessed valuation per student shown on the schedule, decreasing the state  
13 aid computation percentage assigned to the amount of the median assessed  
14 valuation per student by one percentage point for each \$1,000 interval  
15 above the amount of the median assessed valuation per student, and  
16 increasing the state aid computation percentage assigned to the amount of  
17 the median assessed valuation per student by one percentage point for each  
18 \$1,000 interval below the amount of the median assessed valuation per  
19 student. The state aid percentage factor of a school district is the  
20 percentage assigned to the schedule amount that is equal to the amount of  
21 the assessed valuation per student of the school district, except that the  
22 state aid percentage factor of a school district shall not exceed 100%. The  
23 state aid computation percentage is 25%;

24 (5) determine the *aggregate* amount levied by each school district  
25 pursuant to K.S.A. 72-53,113 et seq., and amendments thereto, *and section*  
26 *1, and amendments thereto*; and

27 (6) multiply the amount computed under subsection (c)(5), but not to  
28 exceed ~~eight~~ 10 mills, by the applicable state aid percentage factor. The  
29 resulting product is the amount of payment the school district is to receive  
30 from the school district capital outlay state aid fund in the school year.

31 (d) The state board shall certify to the director of accounts and reports  
32 the amount of school district capital outlay state aid determined under the  
33 provisions of subsection (c), and an amount equal thereto shall be  
34 transferred by the director from the state general fund to the school district  
35 capital outlay state aid fund for distribution to school districts. All transfers  
36 made in accordance with the provisions of this subsection shall be  
37 considered to be demand transfers from the state general fund.

38 (e) Payments from the school district capital outlay state aid fund  
39 shall be distributed to school districts at times determined by the state  
40 board of education. The state board of education shall certify to the  
41 director of accounts and reports the amount due each school district, and  
42 the director of accounts and reports shall draw a warrant on the state  
43 treasury payable to the treasurer of the school district. Upon receipt of the

1 warrant, the treasurer of the school district shall credit the amount thereof  
2 to the capital outlay fund of the school district to be used for the purposes  
3 of such fund.

4 Sec. 5. K.S.A. 12-1770a and 72-53,126 are hereby repealed.

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