

SENATE BILL No. 94

By Committee on Assessment and Taxation

1-24

1 AN ACT concerning property taxation; relating to tax levies; discontinuing
2 the state tax levies for the Kansas educational building fund and the
3 state institutions building fund; providing financing therefor from the
4 state general fund; amending K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-
5 6b05 and 76-6b11 and repealing the existing sections.

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

8 Section 1. K.S.A. 76-6b01 is hereby amended to read as follows: 76-
9 6b01. (a) There is hereby levied ~~an annual permanent state tax in the year~~
10 ~~2023 a state tax of 1 mill~~ upon all tangible property in this state ~~which that~~
11 ~~is subject to ad valorem taxation. The tax levy shall be 6 mill in the year~~
12 ~~2003 and 1 mill in the year 2004 and each year thereafter until changed by~~
13 ~~statute.~~ Such tax levy shall be in addition to all other state tax levies
14 authorized by law. Such tax levy shall be for the use and benefit of the
15 state institutions of higher education. The proceeds of such tax levy shall
16 be apportioned in accordance with this act.

17 (b) The county treasurer of each county shall make the proceeds of
18 the tax levy provided for in this section available to the state treasurer
19 immediately upon collection. When available the state treasurer shall
20 withdraw from each county the proceeds of the taxes raised by such tax
21 levy. Upon such withdrawal the state treasurer shall deposit the same in the
22 state treasury and shall credit the same as provided in K.S.A. 76-6b02, *and*
23 *amendments thereto.*

24 Sec. 2. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
25 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-6b01,
26 and amendments thereto, *and pursuant to subsection (c)* shall be credited
27 to the Kansas educational building fund to be used for the construction,
28 reconstruction, equipment and repair of buildings and grounds at the state
29 educational institutions under the control and supervision of the state
30 board of regents and for payment of debt service on revenue bonds issued
31 to finance such projects, all subject to appropriation by the legislature.

32 (b) Subject to any restrictions imposed by appropriation acts, the state
33 board of regents is authorized to pledge funds appropriated to it from the
34 Kansas educational building fund or from any other source and transferred
35 to a special revenue fund of the state board of regents specified by statute
36 for the payment of debt service on revenue bonds issued for the purposes

1 set forth in subsection (a). Subject to any restrictions imposed by
2 appropriation acts, the state board of regents is also authorized to pledge
3 any funds appropriated to it from the Kansas educational building fund or
4 from any other source and transferred to a special revenue fund of the state
5 board of regents specified by statute as a priority for the payment of debt
6 service on such revenue bonds. Neither the state or the state board of
7 regents shall have the power to pledge the faith and credit or taxing power
8 of the state of Kansas for such purposes and any payment by the state
9 board of regents for such purposes shall be subject to and dependent on
10 appropriations being made from time to time by the legislature. Any
11 obligation of the state board of regents for payment of debt service on
12 revenue bonds and any such revenue bonds issued for the purposes set
13 forth in subsection (a) shall not be considered a debt or obligation of the
14 state for the purpose of section 6 of article 11 of the constitution of the
15 state of Kansas.

16 *(c) On July 1, 2024, or as soon thereafter as moneys are available,*
17 *\$41,800,000 shall be transferred by the director of accounts and reports*
18 *from the state general fund to the Kansas educational building fund. On*
19 *July 1, 2025, and on July 1 each year thereafter; or as soon thereafter as*
20 *moneys are available, an amount equal to the amount pursuant to this*
21 *subsection for the immediately preceding year plus 2% shall be*
22 *transferred by the director of accounts and reports from the state general*
23 *fund to the Kansas educational building fund.*

24 Sec. 3. K.S.A. 76-6b04 is hereby amended to read as follows: 76-
25 6b04. (a) There is hereby levied ~~an annual permanent state tax in the year~~
26 ~~2023 a state tax of 0.5 mill~~ upon all tangible property in this state ~~which~~
27 ~~that is subject to ad valorem taxation. The tax levy shall be .3 mill in the~~
28 ~~year 2003 and .5 mill in the year 2004 and each year thereafter until~~
29 ~~changed by statute.~~ The tax levy shall be in addition to all other state tax
30 levies authorized by law. The tax levy shall be for the use and benefit of
31 state institutions caring for persons who are mentally ill, retarded, visually
32 handicapped, with a handicapping hearing loss or tubercular or state
33 institutions caring for children who are deprived, wayward, miscreant,
34 delinquent, children in need of care or juvenile offenders and who are in
35 need of residential care or treatment, or institutions designed primarily to
36 provide vocational rehabilitation for handicapped persons. As used in this
37 section, "state institutions" shall include, but not be limited to, those
38 institutions under the authority of the commissioner of juvenile justice.
39 The proceeds of such tax levy shall be apportioned in accordance with this
40 act.

41 (b) The county treasurer of each county shall make the proceeds of
42 the tax levy provided for in this section available to the state treasurer
43 immediately upon collection. When available, the state treasurer shall

1 withdraw from each county the proceeds of the taxes raised by such tax
2 levy. Upon such withdrawal the state treasurer shall deposit the same in the
3 state treasury and shall credit the same as provided in K.S.A. 76-6b05, and
4 amendments thereto.

5 Sec. 4. K.S.A. 76-6b05 is hereby amended to read as follows: 76-
6 6b05. (a) All moneys received by the state treasurer under K.S.A. 76-6b04,
7 and amendments thereto, *and pursuant to subsection (e)* shall be credited
8 to the state institutions building fund, which is hereby created in the state
9 treasury, to be used for the construction, reconstruction, equipment and
10 repair of buildings and grounds at institutions specified in K.S.A. 76-6b04,
11 and amendments thereto, and for payment of debt service on revenue
12 bonds issued to finance such projects, all subject to appropriation by the
13 legislature.

14 (b) Subject to any restrictions imposed by appropriation acts, the
15 juvenile justice authority is authorized to pledge funds appropriated to it
16 from the state institutions building fund or from any other source and
17 transferred to a special revenue fund of the juvenile justice authority
18 specified by statute for the payment of debt service on revenue bonds
19 issued for the purposes set forth in subsection (a). Subject to any
20 restrictions imposed by appropriation acts, the juvenile justice authority is
21 also authorized to pledge any funds appropriated to it from the state
22 institutions building fund or from any other source and transferred to a
23 special revenue fund of the juvenile justice authority specified by statute as
24 a priority for the payment of debt service on such revenue bonds. Neither
25 the state or the juvenile justice authority shall have the power to pledge the
26 faith and credit or taxing power of the state of Kansas for such purposes
27 and any payment by the juvenile justice authority for such purposes shall
28 be subject to and dependent on appropriations being made from time to
29 time by the legislature. Any obligation of the juvenile justice authority for
30 payment of debt service on revenue bonds and any such revenue bonds
31 issued for the purposes set forth in subsection (a) shall not be considered a
32 debt or obligation of the state for the purpose of section 6 of article 11 of
33 the constitution of the state of Kansas.

34 (c) Subject to any restrictions imposed by appropriation acts, the
35 Kansas department for aging and disability services is authorized to pledge
36 funds appropriated to it from the state institutions building fund or from
37 any other source and transferred to a special revenue fund of the Kansas
38 department for aging and disability services specified by statute for the
39 payment of debt service on revenue bonds issued for a new state security
40 hospital on the Larned state hospital grounds or any other capital
41 improvement projects at any other institution or facility of the Kansas
42 department for aging and disability services. Subject to any restrictions
43 imposed by appropriation acts, the Kansas department for aging and

1 disability services is also authorized to pledge any funds appropriated to it
2 from the state institutions building fund or from any other source and
3 transferred to a special revenue fund of the Kansas department for aging
4 and disability services specified by statute as a priority for the payment of
5 debt service on such revenue bonds. Neither the state or the Kansas
6 department for aging and disability services shall have the power to pledge
7 the faith and credit or taxing power of the state of Kansas for such
8 purposes and any payment by the Kansas department for aging and
9 disability services for such purposes shall be subject to and dependent on
10 appropriations being made from time to time by the legislature. Any
11 obligation of the Kansas department for aging and disability services for
12 payment of debt service on revenue bonds and any such revenue bonds
13 issued for a new state security hospital on the Larned state hospital
14 grounds or any other capital improvement projects at any other institution
15 or facility of the Kansas department for aging and disability services shall
16 not be considered a debt or obligation of the state for the purpose of
17 section 6 of article 11 of the constitution of the state of Kansas.

18 (d) Subject to any restrictions imposed by appropriation acts, the
19 director of the Kansas commission on veterans affairs office is authorized
20 to pledge funds appropriated to it from the state institutions building fund
21 or from any other source and transferred to a special revenue fund of the
22 Kansas commission on veterans affairs office specified by statute for the
23 payment of debt service on revenue bonds issued for veterans' home
24 HVAC system replacement. Subject to any restrictions imposed by
25 appropriation acts, the director of the Kansas commission on veterans
26 affairs office is also authorized to pledge any funds appropriated to it from
27 the state institutions building fund or from any other source and transferred
28 to a special revenue fund of the Kansas commission on veterans affairs
29 office specified by statute as a priority for the payment of debt service on
30 such revenue bonds. Neither the state nor the director of the Kansas
31 commission on veterans affairs office shall have the power to pledge the
32 faith and credit or taxing power of the state of Kansas for such purposes
33 and any payment by the Kansas commission on veterans affairs office for
34 such purposes shall be subject to and dependent on appropriations being
35 made from time to time by the legislature. Any obligation of the Kansas
36 commission on veterans affairs office for payment of debt service on
37 revenue bonds and any such revenue bonds issued for veterans' home
38 HVAC system replacement shall not be considered a debt or obligation of
39 the state for the purpose of section 6 of article 11 of the constitution of the
40 state of Kansas.

41 (e) *On July 1, 2024, or as soon thereafter as moneys are available,*
42 *\$20,900,000 shall be transferred by the director of accounts and reports*
43 *from the state general fund to the state institutions building fund. On July*

1 *I, 2025, and on July 1 each year thereafter; or as soon thereafter as*
 2 *moneys are available, an amount equal to the amount pursuant to this*
 3 *subsection for the immediately preceding year plus 2% shall be*
 4 *transferred by the director of accounts and reports from the state general*
 5 *fund to the state institutions building fund.*

6 Sec. 5. K.S.A. 76-6b11 is hereby amended to read as follows: 76-
 7 6b11. (a) ~~Except as provided in subsection (e),~~ On July 1 of each year, the
 8 director of accounts and reports shall record a debit to the state treasurer's
 9 receivables for the Kansas educational building fund, the state institutions
 10 building fund and the state general fund and shall record a corresponding
 11 credit to each such fund in an amount equal to 95% of the amount credited
 12 respectively to each such fund during the immediately preceding fiscal
 13 year, except that such amount shall be proportionally adjusted with respect
 14 to any such fund in any fiscal year for any change in the tax levy rate for
 15 any such fund.

16 (b) All taxes received by the state treasurer under K.S.A. 76-6b01,
 17 ~~and 76-6b04 and section 15 [L. 2003, ch. 146, § 15], and amendments~~
 18 ~~thereto, and the provisions of section 15 of chapter 146 of the 2023~~
 19 ~~Session Laws of Kansas during the current fiscal year shall be deposited in~~
 20 ~~the state treasury to the credit of the Kansas educational building fund, the~~
 21 ~~state institutions building fund and the state general fund, respectively, and~~
 22 ~~shall reduce the amount debited and credited to such funds under~~
 23 ~~subsection (a).~~

24 (c) On June 30 of each year, the director of accounts and reports shall
 25 adjust the amounts debited and credited to the state treasurer's receivables
 26 and to the Kansas educational building fund, the state institutions building
 27 fund and the state general fund pursuant to this section, to reflect the taxes
 28 actually received by the state treasurer and deposited during the fiscal year
 29 in the state treasury to the credit of each such fund.

30 (d) The director of accounts and reports shall notify the state treasurer
 31 of all amounts debited and credited to the Kansas educational building
 32 fund, the state institutions building fund and the state general fund
 33 pursuant to this section and all reductions and adjustments thereto made
 34 pursuant to this section. The state treasurer shall enter all such amounts
 35 debited and credited and shall make reductions and adjustments thereto on
 36 the books and records kept and maintained for such funds by the state
 37 treasurer in accordance with the notice thereof.

38 ~~(e) On October 1, 2003, the director of accounts and reports shall~~
 39 ~~make such adjustments and amendments as may be required to reflect and~~
 40 ~~account for the property tax imposed by K.S.A. 79-2976 as if such tax had~~
 41 ~~been in effect on July 1, 2003. The provisions of this section shall expire~~
 42 ~~on June 30, 2024.~~

43 Sec. 6. K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-6b05 and 76-6b11 are

1 hereby repealed.

2 Sec. 7. This act shall take effect and be in force from and after its
3 publication in the statute book.