

HOUSE BILL No. 2815

By Committee on Taxation

Requested by Representative Francis

2-28

1 AN ACT concerning taxation; abolishing the local ad valorem tax
2 reduction fund and the county and city revenue sharing fund;
3 discontinuing certain transfers to the special city and county highway
4 fund; decreasing the rate of ad valorem tax imposed by a school
5 district; amending K.S.A. 65-163j, 65-3306, 65-3327, 75-2556 and 79-
6 1479 and K.S.A. 2023 Supp. 72-5142, 74-8768 and 79-2988 and
7 repealing the existing sections; also repealing K.S.A. 19-2694, 79-
8 2960, 79-2961, 79-2962, 79-2965, 79-2966 and 79-2967 and K.S.A.
9 2023 Supp. 79-2959, 79-2964 and 79-3425i.

10
11 WHEREAS, Revenues generated from the statewide school property
12 tax levy would remain consistent rather than automatically increasing as a
13 result of property valuation increases; and

14 WHEREAS, The Legislature provides direct appropriations from the
15 state general fund to pay for the cost of education.

16 Now, therefore:

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

18 New Section 1. On July 1, 2024, the director of accounts and reports
19 shall transfer all moneys in the local ad valorem tax reduction fund to the
20 state general fund. On July 1, 2024, all liabilities of the local ad valorem
21 tax reduction fund are hereby transferred to and imposed on the state
22 general fund, and the local ad valorem tax reduction fund is hereby
23 abolished.

24 New Sec. 2. On July 1, 2024, the director of accounts and reports
25 shall transfer all moneys in the county and city revenue sharing fund to the
26 state general fund. On July 1, 2024, all liabilities of the county and city
27 revenue sharing fund are hereby transferred to and imposed on the state
28 general fund, and the county and city revenue sharing fund is hereby
29 abolished.

30 Sec. 3. K.S.A. 65-163j is hereby amended to read as follows: 65-163j.

31 (a) The dedicated source of revenue for repayment of a loan to a
32 municipality may include service charges, connection fees, special
33 assessments, property taxes, grants or any other source of revenue lawfully
34 available to the municipality for such purpose. In order to ensure
35 repayment by municipalities of the amounts of loans provided under this

1 act, the secretary, after consultation with the governing body of any
2 municipality ~~which~~ *that* receives a loan, may adopt charges to be levied
3 against individuals and entities served by the project. Any such charges
4 shall remain in effect until the total amount of the loan, and any interest
5 thereon, has been repaid. The charges shall, insofar as is practicable, be
6 equitably assessed and may be in the form of a surcharge to the existing
7 charges of the municipality. The governing body of any municipality
8 ~~which~~ *that* receives a loan under this act shall collect any charges
9 established by the secretary and shall pay the moneys collected therefrom
10 to the secretary in accordance with procedures established by the secretary.

11 (b) ~~Upon the failure of a municipality to meet the repayment terms~~
12 ~~and conditions of the agreement, the secretary may order the treasurer of~~
13 ~~the county in which the municipality is located to pay to the secretary such~~
14 ~~portion of the municipality's share of the local ad valorem tax reduction~~
15 ~~fund as may be necessary to meet the terms of the agreement,~~
16 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, and~~
17 ~~amendments thereto. Upon the issuance of such an order, the municipality~~
18 ~~shall not be required to make the tax levy reductions otherwise required by~~
19 ~~K.S.A. 79-2960 and 79-2961, and amendments thereto.~~

20 (e) Municipalities ~~which~~ *that* are provided with loans under this act
21 shall maintain project accounts in accordance with generally accepted
22 government accounting standards.

23 (d)(c) Any loans received by a municipality under the provisions of
24 this act shall be construed to be bonds for the purposes of K.S.A. 10-1116
25 and 79-5028, and amendments thereto, and the amount of such loans shall
26 not be included within any limitation on the bonded indebtedness of the
27 municipality.

28 Sec. 4. K.S.A. 65-3306 is hereby amended to read as follows: 65-
29 3306. The secretary's annual request for appropriations to the water
30 pollution control account shall be based on an estimate of the fiscal needs
31 for the ensuing budget year, less any amounts received by the secretary
32 from any public or private grants or contributions and moneys in such
33 account shall be used solely for the purposes provided for by this act.
34 Moneys allocated to a municipality shall be encumbered as an expenditure
35 of this account upon the formal letting of a contract for the improvement
36 notwithstanding the date ~~on which~~ *when* actual payment is made of the
37 state financial assistance. Any municipality may contribute moneys to the
38 state water pollution control account. If there are no uncommitted or
39 unencumbered moneys in the water pollution control account, any
40 municipality applying for any water pollution control project as defined in
41 K.S.A. 65-3302, *and amendments thereto*, shall as a condition of such
42 application certify in writing to the secretary that a contribution in the
43 amount of ~~twenty-five percent (25%)~~ of the eligible cost of such project

1 will be made to the water pollution control account by such municipality
2 prior to formal letting of a construction contract. Upon receipt by the
3 secretary, each such contribution shall be retained in a subaccount of the
4 water pollution control account for use solely in the project for which the
5 municipality has made application.

6 ~~Notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, any~~
7 ~~municipality applying for such a water pollution control project may make~~
8 ~~such contribution from all or such part of its share of the local ad valorem~~
9 ~~tax reduction fund as may be necessary for such purpose, and to the extent~~
10 ~~such fund is pledged and used for such purpose the municipality shall not~~
11 ~~be required to make the tax levy reductions otherwise required by K.S.A.~~
12 ~~79-2960 and 79-2961. Taxes levied by any municipality by reason of its~~
13 ~~failure to make such reduction in its levies shall not be subject to or be~~
14 ~~considered in computing the aggregate limitation upon the levy of taxes by~~
15 ~~such municipality under the provisions of K.S.A. 79-5003.~~

16 Sec. 5. K.S.A. 65-3327 is hereby amended to read as follows: 65-
17 3327. (a) The dedicated source of revenue for repayment of the loans may
18 include service charges, connection fees, special assessments, property
19 taxes, grants or any other source of revenue lawfully available to the
20 municipality for such purpose. In order to ensure repayment by
21 municipalities of the amounts of loans provided under K.S.A. 65-3321
22 through 65-3329, and amendments thereto, the secretary, after consultation
23 with the governing body of any municipality which receives a loan, may
24 adopt charges to be levied against users of the project. Any such charges
25 shall remain in effect until the total amount of the loan, and any interest
26 thereon, has been repaid. The charges shall, insofar as is practicable, be
27 equitably assessed and may be in the form of a surcharge to the existing
28 charges of the municipality. The governing body of any municipality
29 which receives a loan under K.S.A. 65-3321 through 65-3329, and
30 amendments thereto, shall collect any charges established by the secretary
31 and shall pay the moneys collected therefrom to the secretary in
32 accordance with procedures established by the secretary.

33 ~~(b) Upon the failure of a municipality to meet the repayment terms~~
34 ~~and conditions of the agreement, the secretary may order the treasurer of~~
35 ~~the county in which the municipality is located to pay to the secretary such~~
36 ~~portion of the municipality's share of the local ad valorem tax reduction~~
37 ~~fund as may be necessary to meet the terms of the agreement,~~
38 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and~~
39 ~~amendments thereto. Upon the issuance of such an order, the municipality~~
40 ~~shall not be required to make the tax levy reductions otherwise required by~~
41 ~~K.S.A. 79-2960 and 79-2961 and amendments thereto.~~

42 ~~(e) Municipalities which that are provided with loans under K.S.A.~~
43 ~~65-3321 through 65-3329, and amendments thereto, shall maintain project~~

1 accounts in accordance with generally accepted government accounting
2 standards.

3 ~~(d)~~(c) Municipalities ~~which~~ *that* receive a grant and an allowance
4 under the federal act with respect to project costs for which a loan was
5 provided under K.S.A. 65-3321 through 65-3329, and amendments
6 thereto, shall promptly repay such loan to the extent of the allowance
7 received under the federal act.

8 ~~(e)~~(d) Any loans received by a municipality under the provisions of
9 K.S.A. 65-3321 through 65-3329, and amendments thereto, shall be
10 construed to be bonds for the purposes of K.S.A. 10-1116 and 79-5028,
11 and amendments thereto, and the amount of such loans shall not be
12 included within any limitation on the bonded indebtedness of the
13 municipality.

14 Sec. 6. K.S.A. 2023 Supp. 72-5142 is hereby amended to read as
15 follows: 72-5142. (a) The board of education of each school district shall
16 levy an ad valorem tax upon the taxable tangible property of the school
17 district in the school years specified in subsection (b) for the purpose of:

18 (1) Financing that portion of the school district's general fund budget
19 that is not financed from any other source provided by law;

20 (2) paying a portion of the costs of operating and maintaining public
21 schools in partial fulfillment of the constitutional obligation of the
22 legislature to finance the educational interests of the state; and

23 (3) with respect to any redevelopment school district established prior
24 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,
25 paying a portion of the principal and interest on bonds issued by cities
26 under authority of K.S.A. 12-1774, and amendments thereto, for the
27 financing of redevelopment projects upon property located within the
28 school district.

29 (b) The tax required under subsection (a) shall be levied at a rate of:

30 (1) 20 mills in the school ~~years 2023-2024~~ and year 2024-2025;

31 (2) 18 mills in the school year 2025-2026; and

32 (3) *for the school year 2026-2027, and all school years thereafter, the*
33 *rate of tax to be levied shall equal the tax rate for the current school year*
34 *that would generate the same property tax revenue as levied for the 2025-*
35 *2026 school year using the current tax year's total assessed valuation. The*
36 *director of property valuation shall calculate the tax rate for this annual*
37 *adjustment.*

38 (c) The proceeds from the tax levied by a district under authority of
39 this section, except the proceeds of such tax levied for the purpose
40 described in subsection (a)(3), shall be remitted to the state treasurer in
41 accordance with the provisions of K.S.A. 75-4215, and amendments
42 thereto. Upon receipt of each such remittance, the state treasurer shall
43 deposit the entire amount in the state treasury to the credit of the state

1 school district finance fund.

2 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a
3 or 79-1964b, and amendments thereto.

4 Sec. 7. K.S.A. 2023 Supp. 74-8768 is hereby amended to read as
5 follows: 74-8768. (a) There is hereby created the expanded lottery act
6 revenues fund in the state treasury. All expenditures and transfers from
7 such fund shall be made in accordance with appropriation acts. All moneys
8 credited to such fund shall be expended or transferred only for the
9 purposes of reduction of state debt, state infrastructure improvements, the
10 university engineering initiative act, ~~reduction of local ad valorem tax in~~
11 ~~the same manner as provided for allocation of amounts in the local ad~~
12 ~~valorem tax reduction fund~~ and reduction of the unfunded actuarial
13 liability of the system attributable to the state of Kansas and participating
14 employers under K.S.A. 74-4931, and amendments thereto, by the Kansas
15 public employees retirement system.

16 (b) On July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2024, July 1,
17 2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, July 1, 2030,
18 and July 1, 2031, or as soon thereafter such date as moneys are available,
19 the first \$10,500,000 credited to the expanded lottery act revenues fund
20 shall be transferred by the director of accounts and reports from the
21 expanded lottery act revenues fund in one or more substantially equal
22 amounts, to each of the following: The Kan-grow engineering fund – KU,
23 Kan-grow engineering fund – KSU and Kan-grow engineering fund –
24 WSU. Each such special revenue fund shall receive \$3,500,000 annually in
25 each of such years. Commencing in fiscal year 2014, after such transfer
26 has been made, 50% of the remaining moneys credited to the fund shall be
27 transferred on a quarterly basis by the director of accounts and reports
28 from the fund to the Kansas public employees retirement system fund to
29 be applied to reduce the unfunded actuarial liability of the system
30 attributable to the state of Kansas and participating employers under
31 K.S.A. 74-4931 et seq., and amendments thereto, until the system as a
32 whole attains an 80% funding ratio as certified by the board of trustees of
33 the Kansas public employees retirement system.

34 Sec. 8. K.S.A. 75-2556 is hereby amended to read as follows: 75-
35 2556. (a) The state librarian shall determine the amount of the grant-in-aid
36 each eligible local public library is to receive based on the latest
37 population census figures as certified by the division of the budget.

38 (b) Except as provided by subsection (d), no local public library shall
39 be eligible for any state grants-in-aid if the total amount of the following
40 paragraphs is less than the total amount produced from such sources for
41 the same library for the previous year, based on the information contained
42 in the official annual budgets of municipalities that are filed with the
43 division of accounts and reports in accordance with K.S.A. 79-2930, and

1 amendments thereto:

2 (1) The amount produced by the local ad valorem tax levies for the
 3 current year expenses for such library;

4 ~~(2) the amount of moneys received from the local ad valorem tax~~
 5 ~~reduction fund for current year expenses for such library;~~

6 (3) the amount of moneys received from taxes levied upon motor
 7 vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments
 8 thereto, for current year expenses for such library; and

9 ~~(4)~~(3) the amount of moneys received in the current year from
 10 collections of unpaid local ad valorem tax levies for prior year expenses
 11 for such library.

12 (c) Local public library districts in which the assessed valuation
 13 decreases shall remain eligible for state grants-in-aid so long as the ad
 14 valorem tax mill rate for the support of such library has not been reduced
 15 below the mill rate imposed for such purpose for the previous year.

16 (d) If a local public library fails to qualify for eligibility for any state
 17 grants-in-aid under subsection (b), the state librarian shall have the power
 18 to continue the eligibility of a local public library for any state grants-in-
 19 aid if the state librarian, after evaluation of all the circumstances,
 20 determines that the legislative intent for maintenance of local tax levy
 21 support for the on-going operations of the library is being met by the
 22 library district.

23 (e) The distribution so determined shall be apportioned and paid on
 24 February 15 of each year.

25 Sec. 9. K.S.A. 79-1479 is hereby amended to read as follows: 79-
 26 1479. (a) On or before January 15, 1992, and quarterly thereafter, the
 27 county or district appraiser shall submit to the director of property
 28 valuation a progress report indicating actions taken during the preceding
 29 quarter calendar year to implement the appraisal of property in the county
 30 or district. Whenever the director of property valuation shall determine
 31 that any county has failed, neglected or refused to properly provide for the
 32 appraisal of property or the updating of the appraisals on an annual basis in
 33 substantial compliance with the provisions of law and the guidelines and
 34 timetables prescribed by the director, the director shall file with the state
 35 board of tax appeals a complaint stating the facts upon which the director
 36 has made the determination of noncompliance as provided by K.S.A. 79-
 37 1413a, and amendments thereto. If, as a result of such proceeding, the state
 38 board of tax appeals finds that the county is not in substantial compliance
 39 with the provisions of law and the guidelines and timetables of the director
 40 of property valuation providing for the appraisal of all property in the
 41 county or the updating of the appraisals on an annual basis, it shall order
 42 the immediate assumption of the duties of the office of county appraiser by
 43 the director of the division of property valuation until such time as the

1 director of property valuation determines that the county is in substantial
2 compliance with the provisions of law. ~~In addition, the board shall order~~
3 ~~the state treasurer to withhold all or a portion of the county's entitlement to~~
4 ~~moneys from either or both of the local ad valorem tax reduction fund and~~
5 ~~the city and county revenue sharing fund for the year following the year in~~
6 ~~which the order is issued.~~ Upon service of any such order on the board of
7 county commissioners, the appraiser shall immediately deliver to the
8 director of property valuation, or the director's designee, all books, records
9 and papers pertaining to the appraiser's office.

10 Any county for which the director of the division of property valuation
11 is ordered by the state board of tax appeals to assume the responsibility
12 and duties of the office of county appraiser shall reimburse the state for the
13 actual costs incurred by the director of the division of property valuation in
14 the assumption and carrying out of such responsibility and duties,
15 including any contracting costs in the event it is necessary for the director
16 of property valuation to contract with private appraisal firms to carry out
17 such responsibilities and duties.

18 (b) On or before June 1 of each year, the director of property
19 valuation shall review the appraisal of property in each county or district
20 to determine if property within the county or district is being appraised or
21 valued in accordance with the requirements of law. If the director
22 determines the property in any county or district is not being appraised in
23 accordance with the requirements of law, the director of property valuation
24 shall notify the county or district appraiser and the board of county
25 commissioners of any county or counties affected that the county has 30
26 days within which to submit to the director a plan for bringing the
27 appraisal of property within the county into compliance.

28 If a plan is submitted and approved by the director the county or district
29 shall proceed to implement the plan as submitted. The director shall
30 continue to monitor the program to insure that the plan is implemented as
31 submitted. If no plan is submitted or if the director does not approve the
32 plan, the director shall petition the state board of tax appeals for a review
33 of the plan or, if no plan is submitted, for authority for the division of
34 property valuation to assume control of the appraisal program of the
35 county and to proceed to bring the same into compliance with the
36 requirements of law.

37 If the state board of tax appeals approves the plan, the county or district
38 appraiser shall proceed to implement the plan as submitted. If no plan has
39 been submitted or the plan submitted is not approved, the board shall fix a
40 time within which the county may submit a plan or an amended plan for
41 approval. If no plan is submitted and approved within the time prescribed
42 by the board, the board shall order the division of property valuation to
43 assume control of the appraisal program of the county ~~and shall certify its~~

1 ~~order to the state treasurer who shall withhold distributions of the county's~~
2 ~~share of moneys from the county and city revenue sharing fund and the~~
3 ~~local ad valorem tax reduction fund and credit the same to the general fund~~
4 ~~of the state for the year following the year in which the board's order is~~
5 ~~made.~~ The director of property valuation shall certify the amount of the
6 cost incurred by the division in bringing the program in compliance to the
7 state board of tax appeals. The board shall order the county commissioners
8 to reimburse the state for such costs.

9 (c) The state board of tax appeals shall within 60 days after the
10 publication of the Kansas assessment/sales ratio study review such
11 publication to determine county compliance with K.S.A. 79-1439, and
12 amendments thereto. If in the determination of the board one or more
13 counties are not in substantial compliance and the director of property
14 valuation has not acted under subsection (b), the board shall order the
15 director of property valuation to take such corrective action as is necessary
16 or to show cause for noncompliance.

17 Sec. 10. K.S.A. 2023 Supp. 79-2988 is hereby amended to read as
18 follows: 79-2988. (a) On or before June 15 each year, the county clerk
19 shall calculate the revenue neutral rate for each taxing subdivision and
20 include such revenue neutral rate on the notice of the estimated assessed
21 valuation provided to each taxing subdivision for budget purposes. The
22 director of accounts and reports shall modify the prescribed budget
23 information form to show the revenue neutral rate.

24 (b) No tax rate in excess of the revenue neutral rate shall be levied by
25 the governing body of any taxing subdivision unless a resolution or
26 ordinance has been approved by the governing body according to the
27 following procedure:

28 (1) At least 10 days in advance of the public hearing, the governing
29 body shall publish notice of its proposed intent to exceed the revenue
30 neutral rate by publishing notice:

31 (A) On the website of the governing body, if the governing body
32 maintains a website; and

33 (B) in a weekly or daily newspaper of the county having a general
34 circulation therein. The notice shall include, but not be limited to, its
35 proposed tax rate, its revenue neutral rate and the date, time and location
36 of the public hearing.

37 (2) On or before July 20, the governing body shall notify the county
38 clerk of its proposed intent to exceed the revenue neutral rate and provide
39 the date, time and location of the public hearing and its proposed tax rate.
40 For all tax years commencing after December 31, 2021, the county clerk
41 shall notify each taxpayer with property in the taxing subdivision, by mail
42 directed to the taxpayer's last known address, of the proposed intent to
43 exceed the revenue neutral rate at least 10 days in advance of the public

1 hearing. Alternatively, the county clerk may transmit the notice to the
2 taxpayer by electronic means at least 10 days in advance of the public
3 hearing, if such taxpayer and county clerk have consented in writing to
4 service by electronic means. The county clerk shall consolidate the
5 required information for all taxing subdivisions relevant to the taxpayer's
6 property on one notice. The notice shall be in a format prescribed by the
7 director of accounts and reports. The notice shall include, but not be
8 limited to:

9 (A) The revenue neutral rate of each taxing subdivision relevant to
10 the taxpayer's property;

11 (B) the proposed property tax revenue needed to fund the proposed
12 budget of the taxing subdivision, if the taxing subdivision notified the
13 county clerk of its proposed intent to exceed its revenue neutral rate;

14 (C) the proposed tax rate based upon the proposed budget and the
15 current year's total assessed valuation of the taxing subdivision, if the
16 taxing subdivision notified the county clerk of its proposed intent to
17 exceed its revenue neutral rate;

18 (D) the percentage by which the proposed tax rate exceeds the
19 revenue neutral rate;

20 (E) the tax rate and property tax of each taxing subdivision on the
21 taxpayer's property from the previous year's tax statement;

22 (F) the appraised value and assessed value of the taxpayer's property
23 for the current year;

24 (G) the estimates of the tax for the current tax year on the taxpayer's
25 property based on the revenue neutral rate of each taxing subdivision and
26 any proposed tax rates that exceed the revenue neutral rates;

27 (H) the difference between the estimates of tax based on the proposed
28 tax rate and the revenue neutral rate on the taxpayer's property described in
29 subparagraph (G) for any taxing subdivision that has a proposed tax rate
30 that exceeds its revenue neutral rate; and

31 (I) the date, time and location of the public hearing of the taxing
32 subdivision, if the taxing subdivision notified the county clerk of its
33 proposed intent to exceed its revenue neutral rate.

34 Although the state of Kansas is not a taxing subdivision for purposes of
35 this section, the notice shall include a statement of the statutory mill levies
36 imposed by the state and the estimate of the tax for the current year on the
37 taxpayer's property based on such levies.

38 (3) The public hearing to consider exceeding the revenue neutral rate
39 shall be held not sooner than August 20 and not later than September 20.
40 The governing body shall provide interested taxpayers desiring to be heard
41 an opportunity to present oral testimony within reasonable time limits and
42 without unreasonable restriction on the number of individuals allowed to
43 make public comment. The public hearing may be conducted in

1 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
2 and amendments thereto, if the governing body otherwise complies with
3 all requirements of this section. Nothing in this section shall be construed
4 to prohibit additional public hearings that provide additional opportunities
5 to present testimony or public comment prior to the public hearing
6 required by this section.

7 (4) A majority vote of the governing body, by the adoption of a
8 resolution or ordinance to approve exceeding the revenue neutral rate,
9 shall be required prior to adoption of a proposed budget that will result in a
10 tax rate in excess of the revenue neutral rate. Such vote of the governing
11 body shall be conducted at the public hearing after the governing body has
12 heard from interested taxpayers and shall be a roll call vote. If the
13 governing body approves exceeding the revenue neutral rate, the
14 governing body shall not adopt a budget that results in a tax rate in excess
15 of its proposed tax rate as stated in the notice provided pursuant to this
16 section. A copy of the resolution or ordinance to approve exceeding the
17 revenue neutral rate and a certified copy of any roll call vote reporting, at a
18 minimum, the name and vote of each member of the governing body
19 related to exceeding the revenue neutral rate, whether approved or not,
20 shall be included with the adopted budget, budget certificate and other
21 budget forms filed with the county clerk and the director of accounts and
22 reports and shall be published on the website of the department of
23 administration.

24 (c) (1) Any governing body subject to the provisions of this section
25 that does not comply with subsection (b) shall refund to taxpayers any
26 property taxes over-collected based on the amount of the levy that was in
27 excess of the revenue neutral rate.

28 (2) Any taxpayer of the taxing subdivision that is the subject of the
29 complaint or such taxpayer's duly authorized representative may file a
30 complaint with the state board of tax appeals by filing a written complaint,
31 on a form prescribed by the board, that contains the facts that the
32 complaining party believes show that a governing body of a taxing
33 subdivision did not comply with the provisions of subsection (b) and that a
34 reduction or refund of taxes is appropriate. The complaining party shall
35 provide a copy of such complaint to the governing body of the taxing
36 subdivision making the levy that is the subject of the complaint.
37 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee
38 shall be charged by the executive director of the state board of tax appeals
39 for a complaint filed pursuant to this paragraph. The governing body of the
40 taxing subdivision making the levy that is the subject of the complaint
41 shall be a party to the proceeding. Notice of any summary proceeding or
42 hearing shall be served upon such governing body, the county clerk, the
43 director of accounts and reports and the complaining party. It shall be the

1 duty of the governing body to initiate the production of evidence to
2 demonstrate, by a preponderance of the evidence, the validity of such levy.
3 If upon a summary proceeding or hearing, it shall be made to appear to the
4 satisfaction of the board that the governing body of the taxing subdivision
5 did not comply with subsection (b), the state board of tax appeals shall
6 order such governing body to refund to taxpayers the amount of property
7 taxes over collected or reduce the taxes levied, if uncollected. The
8 provisions of this paragraph shall not be construed as prohibiting any other
9 remedies available under the law.

10 (d) On and after January 1, 2022, in the event that the ~~20-mills tax~~
11 levied by a school district pursuant to K.S.A. 72-5142, and amendments
12 thereto, increases the property tax revenue generated for the purpose of
13 calculating the revenue neutral rate from the previous tax year and such
14 amount of increase in revenue generated from ~~the 20-mills such tax levied~~
15 is the only reason *that* the school district would exceed the total property
16 tax revenue from the prior year, the school district shall be deemed to not
17 have exceeded the revenue neutral rate in levying a tax rate in excess of
18 the revenue neutral rate to take into account the increase in revenue from
19 only ~~the 20-mills such tax levied~~.

20 (e) (1) Notwithstanding any other provision of law to the contrary, if
21 the governing body of a taxing subdivision must conduct a public hearing
22 to approve exceeding the revenue neutral rate under this section, the
23 governing body of the taxing subdivision shall certify, on or before
24 October 1, to the proper county clerk the amount of ad valorem tax to be
25 levied.

26 (2) If a governing body of a taxing subdivision did not comply with
27 the provisions of subsection (b) and certifies to the county clerk an amount
28 of ad valorem tax to be levied that would result in a tax rate in excess of its
29 revenue neutral rate, the county clerk shall reduce the ad valorem tax to be
30 levied to the amount resulting from such taxing subdivision's revenue
31 neutral rate.

32 (f) As used in this section:

33 (1) "Taxing subdivision" means any political subdivision of the state
34 that levies an ad valorem tax on property.

35 (2) "Revenue neutral rate" means the tax rate for the current tax year
36 that would generate the same property tax revenue as levied the previous
37 tax year using the current tax year's total assessed valuation. To calculate
38 the revenue neutral rate, the county clerk shall divide the property tax
39 revenue for such taxing subdivision levied for the previous tax year by the
40 total of all taxable assessed valuation in such taxing subdivision for the
41 current tax year, and then multiply the quotient by 1,000 to express the rate
42 in mills. The revenue neutral rate shall be expressed to the third decimal
43 place.

1 (g) In the event that a county clerk incurred costs of printing and
2 postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989,
3 and amendments thereto, such county clerk may seek reimbursement from
4 all taxing subdivisions required to send the notice. Such costs shall be
5 shared proportionately by all taxing subdivisions that were included on the
6 same notice based on the total property tax levied by each taxing
7 subdivision. Payment of such costs shall be due to the county clerk by
8 December 31.

9 (h) The department of administration or the director of accounts and
10 reports shall make copies of adopted budgets, budget certificates, other
11 budget documents and revenue neutral rate documents available to the
12 public on the department of administration's website on a permanently
13 accessible web page that may be accessed via a conspicuous link to that
14 web page placed on the front page of the department's website. The
15 department of administration or the director of accounts and reports shall
16 also make the following information for each tax year available on such
17 website:

- 18 (1) A list of taxing subdivisions by county;
- 19 (2) whether each taxing subdivision conducted a hearing to consider
20 exceeding its revenue neutral rate;
- 21 (3) the revenue neutral rate of each taxing subdivision;
- 22 (4) the tax rate resulting from the adopted budget of each taxing
23 subdivision; and
- 24 (5) the percent change between the revenue neutral rate and the tax
25 rate for each taxing subdivision.

26 Sec. 11. K.S.A. 19-2694, 65-163j, 65-3306, 65-3327, 75-2556, 79-
27 1479, 79-2960, 79-2961, 79-2962, 79-2965, 79-2966 and 79-2967 and
28 K.S.A. 2023 Supp. 72-5142, 74-8768, 79-2959, 79-2964, 79-2988 and 79-
29 3425i are hereby repealed.

30 Sec. 12. This act shall take effect and be in force from and after its
31 publication in the statute book.