

SESSION OF 2018

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 247**

As Amended by Senate Committee on Ways  
and Means

**Brief\***

SB 247, as amended, would deannex all city of Valley Center territory from the Hillside Cemetery District, located in Harvey and Sedgwick counties, effective December 31, 2018. After January 1, 2019, any territory added to the City of Valley Center by annexation, included in the Hillside Cemetery District, would be excluded from the cemetery district upon annexation. On and after March 1, 2022, the Hillside Cemetery District would receive no property tax revenues generated from property located within the territory of the city of Valley Center.

**Background**

The bill was introduced in the Senate Committee on Ways and Means. In the Senate Committee hearing, Senator McGinn testified in favor of the bill, explaining she received input from the Hillside Cemetery District, the Administration and mayor of the City of Sedgwick, and the City of Valley Center in drafting the bill and would prefer to keep the March 1, 2022, end date, without a five-year phase-out on the reimbursement of lost property tax revenues from the City of Valley Center to the Hillside Cemetery District.

Written-only proponent testimony was provided by the mayor of the City of Sedgwick, who is also the Hillside Cemetery District president, and the City Administrator of the City of Valley Center.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Representative Huebert provided neutral testimony and background information on his efforts to achieve similar goals as the bill. Representative Huebert stated his concern about the longevity of the five-year phase-out of the property tax reimbursement from the City of Valley Center to the Hillside Cemetery District. No other testimony was provided.

The Senate Committee amended the effective year from 2017 to 2018 for deannexation of city of Valley Center territory from the Hillside Cemetery District; amended the effective year from 2018 to 2019 for exclusion of any annexed territory within the City of Valley Center from the Hillside Cemetery District; deleted language that would require the City of Valley Center to reimburse the Hillside Cemetery District over five years for lost property tax revenue; and added language to prohibit the Hillside Cemetery District from receiving property tax revenues from property located within the City of Valley Center on and after March 1, 2022.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the bill would have no fiscal impact on the state levies for the two state building funds and the statewide mill levy for education. The League of Kansas Municipalities indicates reimbursing lost property tax revenues would have a fiscal effect on the City of Valley Center; however, it cannot be estimated.