CORRECTED

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

Session of 2020

SENATE BILL No. 294

By Senators Tyson, Alley, Braun, Estes, Goddard, Hilderbrand, Kerschen,
Longbine, Lynn, Masterson, Olson, Petersen, Thompson, Wagle and Wilborn

1-22

AN ACT concerning property taxation; relating to tax rates; truth in
taxation; establishing notice and public hearing requirements prior to
approval to exceed certified tax revenue neutral rate; discontinuing
the city and county tax lid; amending K.S.A. 79-2925c and repealing
the existing section.

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

New Section 1. (a) On or before July 1 each year, the governing body
of each taxing subdivision or taxing district shall calculate its certified tax
rate. The certified tax rate is the tax rate for the current year that would
generate the same property tax revenue as levied the previous year using
the current year's total assessed valuation. The purpose of the certified tax
rate is to promote truth in taxation. To calculate the certified tax rate, each
governing body shall divide the property tax revenue for each taxing
subdivision or taxing district levied for the previous year by the total of all
taxable assessed valuations in such taxing subdivision or taxing district
provided by the county clerk pursuant to K.S.A. 79-5a27, and amendments
thereto, for the current year, and then multiply the quotient by 1,000 to
express the rate in mills. The certified tax rate shall be expressed to the
third decimal place.

(b) On or before July 1 each year, the governing body of each taxing
subdivision or taxing district shall submit its calculated certified tax rate
and supporting documentation to the director of accounts and reports on
forms approved by the director of accounts and reports. The director of
accounts and reports shall review the calculated certified tax rate and
supporting documentation for compliance and accuracy and notify the
governing body of the results of such review before August 1 of each year.
The director of accounts and reports shall make copies of submissions and
notifications pursuant to subsections (b) and (c) available to the public on
the website of the Kansas department of administration no later than
September 1 each year.
the taxing subdivision or taxing district shall certify, on or before October
+ September 20, to the proper county clerk the amount of ad valorem tax
to be levied.

(b)(4) The provisions of this section shall not apply to any taxing
subdivision or taxing district that receives $5,000-$20,000 ($5,000) or less
in revenue from property taxes in the current year.

(g) As used in this section:
(1) "Taxing subdivision" means any political subdivision of the
state that levies an ad valorem tax on property.
(2) "Revenue neutral rate" means the tax rate for the current tax
year that would generate the same property tax revenue as levied the
previous tax year using the current tax year’s total assessed valuation.
To calculate the revenue neutral rate, the county clerk shall divide the
property tax revenue for such taxing subdivision levied for the previous
tax year by the total of all taxable assessed valuation in such taxing
subdivision for the current tax year, and then multiply the quotient by
1,000 to express the rate in mills. The revenue neutral rate shall be
expressed to the third decimal place.

(h) The provisions of this section shall take effect and be in force
from and after January 1, 2022.

Sec. 2. K.S.A. 79-2925c is hereby amended to read as follows: 79-
2925c. (a) (1) On and after January 1, 2017, and prior to January 1,
2022, the governing body of any city or county shall not approve any
appropriation or budget which provides for funding by property tax
revenues in an amount exceeding that of the next preceding year as
adjusted to reflect the average changes in the consumer price index for
all urban consumers as published by the United States department of
labor for the preceding five calendar years, which shall not be less than
zero, unless the city or county approves the appropriation or budget with
the adoption of a resolution and such resolution has been submitted to
and approved by a majority of the qualified electors of the city or county
voting at an election called and held thereon, except as otherwise
provided.
(2) The election shall be called and held in the manner provided by
K.S.A. 10-120, and amendments thereto, and may be:
(A) Held at the next regularly scheduled election to be held in
August or November;
(B) may be a mail ballot election, conducted in accordance with
K.S.A. 25-431 et seq., and amendments thereto; or
(C) may be a special election called by the city or county. Nothing
in this subsection shall prevent any city or county from holding more
than one election in any year. The city or county requesting the election
shall be responsible for paying all costs associated with conducting the