SENATE BILL No. 294

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

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 rate.

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

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 such 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.

(c) On or before August 1 each year, the governing body of each taxing subdivision or taxing district shall submit its certified tax rate to the director of accounts and reports and report its certified tax rate and the calculations used to compute the certified tax rate on its proposed budget forms prepared pursuant to K.S.A. 79-2927, and amendments thereto.

(d) No tax rate in excess of the certified tax rate shall be levied by the
governing body of any taxing subdivision or taxing district unless a
resolution or ordinance has been approved by the governing body
according to the following procedure:
(1) The governing body shall publish notice of its proposed intent to
exceed the certified tax rate in the official county newspaper of the county
where the taxing subdivision or taxing district is located and on the
website of the governing body, if the governing body maintains a website,
at least 10 days in advance of the public hearing.
(2) On or before August 1, the governing body shall notify the county
clerk of its proposed intent to exceed the certified tax rate. The county
clerk shall notify each taxpayer with property in the taxing subdivision or
taxing district, by mail directed to the taxpayer's last known address, of the
proposed intent to exceed the certified tax rate at least 10 days in advance
of the public hearing. Alternatively, the county clerk may transmit the
notice to the taxpayer by electronic means at least 10 days in advance of
the public hearing, if such taxpayer and county clerk have consented in
writing to service by electronic means. Costs associated with the notice
shall be borne by the taxing subdivision or taxing district. The notice shall
include, but not be limited to:
(A) The certified tax rate and calculations used to compute the
certified tax rate;
(B) the proposed property tax revenue needed to fund the proposed
budget;
(C) the proposed tax rate based upon the proposed budget and the
current year's total assessed valuation;
(D) the tax rate and property tax of the taxing subdivision or taxing
district on the taxpayer's property from the previous year's tax statement;
(E) the proposed percent change in the tax rate between the previous
year's tax rate and the proposed tax rate for the current year;
(F) the appraised value and assessed value of the taxpayer's property
for the current year;
(G) the estimates of the tax for the current tax year on the taxpayer's
property based on the certified tax rate and the proposed tax rate; and
(H) the date, time and location of the public hearing.
(3) The public hearing to consider exceeding the certified tax rate
shall be held on or before September 15. The governing body shall provide
interested taxpayers desiring to be heard an opportunity to present oral
testimony within reasonable time limits and without unreasonable
restriction on the number of individuals allowed to make public comment.
The public hearing shall not be scheduled at the same time as a public
hearing of another taxing subdivision or taxing district in the county
scheduled for purposes of this section. The public hearing may be
conducted in conjunction with the proposed budget hearing pursuant to
K.S.A. 79-2929, and amendments thereto, if the governing body otherwise complies with all requirements of this section.

(4) A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the certified tax rate, shall be required prior to adoption of a proposed budget that will result in a tax rate in excess of the certified tax rate. Such vote of the governing body shall be conducted at the public hearing after the governing body has heard from interested taxpayers.

(e) Any governing body subject to the provisions of this section that does not comply with subsection (d) shall refund to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the certified tax rate. The provisions of this subsection shall not be construed as prohibiting any other remedies available under the law.

(f) The provisions of subsection (d) shall not apply if the increased property tax revenue for the current year is the result of property tax levied pursuant to K.S.A. 72-5142, and amendments thereto.

(g) Notwithstanding the provisions of K.S.A. 79-1801, and amendments thereto, if the governing body of a taxing subdivision or taxing district must conduct a public hearing to approve exceeding the certified tax rate under this section, the governing body of the taxing subdivision or taxing district shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

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

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