SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 338

As Recommended by Senate Committee on
Ethics, Elections and Local Government

Brief*

SB 338 would create an alternate budget process for taxing subdivisions and municipalities that would require publication of a notice of amounts to be raised by ad valorem taxation by August 1 and a final budget by November 30, rather than August 1.

Alternative Budget Process

The bill would authorize a taxing subdivision or municipality to prepare a notice that details the amounts raised by ad valorem taxation by August 1. The bill would require the notice to contain the following items:

- Estimated budget classified by funds;
- Amounts to be raised by taxation;
- Estimate of expenses for the proposed budget year;
- Amounts appropriated during the current budget year;
- Amounts expended during current budget year;

*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
- Amount of revenue from taxation and other sources for the current budget year, separately stated; and

- Estimate of revenue from taxation and other sources for the proposed budget year, separately stated.

The bill would require the governing body that completed the notice to prepare a final, itemized budget proposal by November 30. The requirements for the final budget would be the same as those in continuing law for a budget prepared by August 1.

Notice

The bill would require taxing subdivisions and municipalities utilizing the alternative budget process to publish notice of a public hearing for the purpose of hearing objections of taxpayers relating to the proposed ad valorem tax levy. The bill would require the notice to be published in the official city newspaper if a city, or the official county newspaper if another political or taxing subdivision, a minimum of 10 days prior to the hearing and to contain the time and place of the meeting and the proposed ad valorem tax to be levied.

Public Hearing

The bill would require a public hearing relating to the proposed budget when utilizing the alternative budget process. The bill would require notice of the time and place of the meeting to be published in a weekly or daily newspaper in general circulation in the county a minimum of 10 days prior to the hearing. The notice would also be required to contain the proposed budget, unless the taxing subdivision or municipality has an annual expenditure of $500 or less.
Transmission to County Clerk

The bill would require transmission of the certificate of ad valorem taxes to be levied, under the alternative procedure, to the county clerk.

Tax Lid Election

The bill would require the governing body of any city or county intending to have an election for tax lid purposes to adopt a budget by August 1 and not use the alternative procedure.

Background

The bill was introduced by the Senate Committee on Ethics, Elections and Local Government at the request of the League of Kansas Municipalities (LKM).

In the Senate Committee hearing, a representative of the LKM testified in support of the bill. The representative stated that providing municipalities with more time to create their budgets would allow them to utilize information they typically do not have by the August deadline, such as fringe benefit costs and more accurate revenue estimates. Written-only proponent testimony was provided by the City of Atchison, a coalition of Northeast Johnson County cities, and the Kansas Association of Counties (KAC).

No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Administration indicates that any fiscal impact created by enactment of the bill would be absorbed using existing resources. The KAC indicates that enactment of the bill would have no fiscal effect.