SENATE BILL No. 316

By Senator LaTurner

AN ACT concerning property taxation; amending K.S.A. 2015 Supp. 79-1801 and 79-2925b and repealing the existing sections.

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

Section 1. K.S.A. 2015 Supp. 79-1801 is hereby amended to read as follows: 79-1801. (a) Except as provided by subsection (b), each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before August 25, to the proper county clerk the amount of ad valorem tax to be levied. Thereupon, the county clerk shall place the tax upon the tax roll of the county, in the manner prescribed by law, and the tax shall be collected by the county treasurer. The county treasurer shall distribute the proceeds of the taxes levied by each taxing subdivision in the manner provided by K.S.A. 12-1678a, and amendments thereto.

(b) In 2005, the board of education of any school district shall certify, on or before September 7 if the governing body of a city or county must conduct an election for an increase in property tax to fund any appropriation or budget under K.S.A. 2015 Supp. 79-2925b(g), and amendments thereto, the governing body of the city or county shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

Sec. 2. K.S.A. 2015 Supp. 79-2925b is hereby amended to read as follows: 79-2925b. (a) Without a majority vote so providing, the governing body of any municipality shall not approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year, adjusted to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding calendar year. If the total tangible property valuation in any municipality increases from the next preceding year due to increases in the assessed valuation of existing tangible property and such increase exceeds changes in the consumer price index, the governing body shall lower the amount of ad valorem tax to be levied to the amount of ad valorem tax levied in the next preceding year, adjusted to reflect changes in the consumer price index. This subsection
shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-
6b04 and K.S.A. 2015 Supp. 72-6470, and amendments thereto, and any
other ad valorem tax levy which was previously approved by the voters of
such municipality. Except as provided in subsection (g), notwithstanding
the requirements of this subsection, nothing herein shall prohibit a
municipality from increasing the amount of ad valorem tax to be levied if
the municipality approves the increase with a majority vote of the
governing body by the adoption of a resolution and publishes such vote as
provided in subsection (c).

(b) Revenue that, in the current year, is produced and attributable to
the taxation of:

(1) New improvements to real property;
(2) increased personal property valuation, other than increased
valuation of oil and gas leaseholds and mobile homes;
(3) property located within added jurisdictional territory; or
(4) property which has changed in use shall not be considered when
determining whether revenue produced from property has increased from
the next preceding year.

(c) In the event the governing body votes to approve any
appropriation or budget, as the case requires, which may be funded by
revenue produced from property taxes, and which provides for funding
with such revenue in an amount exceeding that of the next preceding year
as provided in subsection (a), notice of such vote shall be published in the
official county newspaper of the county where such municipality is
located.

(d) The provisions of this section shall be applicable to all fiscal and
budget years commencing on and after the effective date of this act.

(e) The provisions of this section shall not apply to revenue received
from property tax levied for the sole purpose of repayment of the principal
of and interest upon bonded indebtedness, temporary notes and no-fund
warrants.

(f) For purposes of this section, "municipality" means any political
subdivision of the state which levies an ad valorem tax on property and
includes, but is not limited to, any county, township, municipal university,
school district, community college, drainage district or other taxation
district. "Municipality" shall not include any such political subdivision or
taxing district which receives $1,000 or less in revenue from property
taxes in the current year.

(g) On and after January 1, 2018: (1) In the case of cities
and counties, any resolution by the governing body otherwise required by
this section to adopt any appropriation or budget which provides for
funding by property tax revenue in an amount exceeding that of the next
preceding year as adjusted pursuant to subsection (a) to reflect changes in
the consumer price index, shall not become effective unless 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. The election shall be called and
held in the manner provided by K.S.A. 10-120, and amendments thereto,
at the next regularly scheduled election to be held in August or November,
or may be a mail ballot election, conducted in accordance with K.S.A. 25-
431 et seq., and amendments thereto, or 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.

(2) A resolution by the governing body of a city or county otherwise
required by the provisions of this section shall not be required to be
approved by an election required by subsection (g)(1) under the following
circumstances:

(A) The increase in the amount of ad valorem tax to be levied that is
greater than the change in the consumer price index is due to:

(i) Costs for new infrastructure or improvements to existing
infrastructure to support new improvements to property exempt from
property taxation pursuant to the provisions of K.S.A. 79-201 et seq., and
amendments thereto, such as hospitals, schools and churches, or exempt
additions to or improvements to property so exempt from property
taxation;

(ii) Bond and interest payments;

(iii) (ii) an increase in property subject to taxation as the result of the
expiration of any abatement of property from property tax;

(iv) Increases in road construction costs when such construction has
been once approved by a resolution of the governing body of the city or
county;

(v) (iii) special assessments;

(vi) judgments levied against the city or county or expenses for legal
counsel and for defense of legal actions against the city or county or
officers of the city or county;

(vii) new expenditures that are specifically mandated by federal or
state law; or

(viii) an increase in property subject to taxation as the result of new
construction; or

(B) the assessed valuation has declined in one or more of the next
preceding three calendar years and the increase in the amount of funding
for the budget or appropriation from revenue produced from property taxes
does not exceed the average amount of funding from such revenue of the
next preceding three calendar years, adjusted to reflect changes in the
consumer price index for all urban consumers as published by the United
States department of labor for the preceding calendar year; or
(C)—the increase in the amount of ad valorem tax to be levied is less than the change in the consumer price index plus the loss of assessed property valuation that has occurred as the result of legislative action, judicial action or a ruling by the board of tax appeals.

Sec. 3. K.S.A. 2015 Supp. 79-1801 and 79-2925b are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.