HOUSE BILL No. 2227

By Committee on Taxation

AN ACT concerning property taxation; relating to the Kansas educational building fund; relating to use of moneys credited thereto; amending K.S.A. 76-6b02 and K.S.A. 2016 Supp. 76-6b01 and repealing the existing sections.

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

Section 1. K.S.A. 2016 Supp. 76-6b01 is hereby amended to read as follows: 76-6b01. (a) There is hereby levied an annual permanent state tax upon all tangible property in this state which is subject to ad valorem taxation. The tax levy shall be .6 mill in the year 2003 and 1 mill in the year 2004 and 5 mills in tax year 2017 and each year thereafter until changed by statute. Such tax levy shall be in addition to all other state tax levies authorized by law. Such tax levy shall be for the use and benefit of the state institutions of higher education. The proceeds of such tax levy shall be apportioned in accordance with this act.

(b) The county treasurer of each county shall make the proceeds of the tax levy provided for in this section available to the state treasurer immediately upon collection. When available the state treasurer shall withdraw from each county the proceeds of the taxes raised by such tax levy. Upon such withdrawal the state treasurer shall deposit the same in the state treasury and shall credit the same as provided in K.S.A. 76-6b02, and amendments thereto.

Sec. 2. K.S.A. 76-6b02 is hereby amended to read as follows: 76-6b02. (a) All moneys received by the state treasurer under K.S.A. 76-6b01, and amendments thereto, shall be credited to the Kansas educational building fund to be. Moneys credited to the fund shall be used for: (1) The construction, reconstruction, equipment and repair of buildings and grounds at the state educational institutions under the control and supervision of the state board of regents; (2) increasing information technology connectivity within and between campuses of such institutions and to international research centers; (3) the construction and reconstruction of facilities that will benefit the education and employment potential of Kansas students and the research capabilities of state educational institution faculty to improve the health and employment potential of Kansans; and (4) for payment of debt service on revenue bonds issued to finance such projects, all subject to appropriation by the
legislature.

(b) The Kansas education building fund shall be a no limit fund and shall be administered by the state board of regents. The state board of regents shall have exclusive control over the expenditure of moneys in the Kansas education building fund and shall prioritize the expenditure of moneys for those purposes set forth in subsection (a). On or before August 1 of each year, the state board of regents shall submit to the legislature an accounting report of all moneys expended from the Kansas education building fund during the prior fiscal year. All expenditures from the Kansas education building fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the president of the state board of regents, or the president's designee.

(c) Subject to any restrictions imposed by appropriation acts, the state board of regents is authorized to pledge funds appropriated to it from credited to the Kansas educational building fund or from any other source and transferred to a special revenue fund of the state board of regents specified by statute for the payment of debt service on revenue bonds issued for the purposes set forth in subsection (a). Subject to any restrictions imposed by appropriation acts, the state board of regents is also authorized to pledge any funds appropriated to it from credited to the Kansas educational building fund or from any other source and transferred to a special revenue fund of the state board of regents specified by statute as a priority for the payment of debt service on such revenue bonds. Neither the state or the state board of regents shall have the power to pledge the faith and credit or taxing power of the state of Kansas for such purposes and any payment by the state board of regents for such purposes shall be subject to and dependent on appropriations being made from time to time by the legislature. Any obligation of the state board of regents for payment of debt service on revenue bonds and any such revenue bonds issued for the purposes set forth in subsection (a) shall not be considered a debt or obligation of the state for the purpose of section 6 of article 11 of the constitution of the state of Kansas.

Sec. 3. K.S.A. 76-6b02 and K.S.A. 2016 Supp. 76-6b01 are hereby repealed.

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