

SENATE BILL No. 536

By Committee on Assessment and Taxation

3-6

1 AN ACT concerning taxation; relating to the local ad valorem tax
2 reduction fund; requiring political subdivisions to adopt a budget that
3 remains at or below revenue neutral and use funds to reduce property
4 tax in order to receive fund distributions; amending K.S.A. 79-2960
5 and 79-2961 and repealing the existing sections.
6

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

8 Section 1. K.S.A. 79-2960 is hereby amended to read as follows: 79-
9 2960. Each year, the county treasurer shall estimate the amount of money
10 each political subdivision in such county (including the county as one such
11 political subdivision) ~~will~~ *may* receive from the local ad valorem tax
12 reduction fund. The state treasurer shall advise each county treasurer, prior
13 to June 1 of each year, of the amount of the local ad valorem tax reduction
14 fund of the state that the state treasurer estimates (using the most recent
15 available information) will be paid to such county on January 15 and July
16 15 of the following year. The county treasurer shall before June 15 of each
17 year, notify the treasurer of each political subdivision of the estimated
18 amount in dollars of the distributions to be made from the local ad valorem
19 tax reduction fund. Such estimate shall be made in accordance with K.S.A.
20 79-2961, *and amendments thereto*. Each *participating* tangible property
21 tax levying political subdivision shall set out a local ad valorem tax
22 reduction fund item of income for one or more tangible property tax funds
23 of general application (excepting bond and interest funds), in its budget for
24 the current year tax levies, the amount which the county treasurer has
25 estimated as the share of such local ad valorem tax reduction funds to be
26 so credited. The director of accounts and reports shall make suitable
27 provision in the budget forms to be used by such subdivisions for listing
28 local ad valorem tax reduction fund income items.

29 Sec. 2. K.S.A. 79-2961 is hereby amended to read as follows: 79-
30 2961. (a) The county clerk shall certify to the county treasurer when
31 budgets are made pursuant to K.S.A. 79-2960, and amendments thereto,
32 and tax levies are filed with the county clerk. Prior to crediting the proper
33 amounts under subsection (c) ~~and except as provided in subsection (d)~~, the
34 county treasurer shall divide the amount paid by the state treasurer to the
35 county treasurer among the county and all other taxing subdivisions of the
36 county, except school districts and any incorporated city within which any

1 portion of the Fort Riley military reservation is located and which would
2 otherwise be a participant in the Riley county allocation, ~~which comply~~
3 ~~with the requirements of this act,~~ in the proportion that the product of the
4 last preceding total tangible tax rate of each subdivision, times its
5 equalized tangible assessed valuation for the preceding year, is to the sum
6 of such products of all the tangible tax-levying political subdivisions,
7 except school districts and any incorporated city within which any portion
8 of the Fort Riley military reservation is located and which would otherwise
9 be a participant in the Riley county allocation, exclusive of the levy by the
10 county for any deficiency for state purposes.

11 (b) No political subdivision shall be entitled to participate in the
12 distribution of any money appropriated to carry out K.S.A. 79-2960, and
13 amendments thereto, and this section unless and until such political
14 subdivision has adopted and certified *within the time prescribed by K.S.A.*
15 *79-1801, and amendments thereto,* a budget for the ensuing year ~~which~~
16 ~~shows as a separate item the amount of the distribution to one or more tax~~
17 ~~levy funds of general application within such subdivision except bond and~~
18 ~~interest funds and has certified a tax levy for each such fund that will~~
19 ~~produce a sum of money less than the amount which a maximum levy~~
20 ~~would produce for each such fund, in an amount equal to or in excess of~~
21 ~~the amount of such distribution. The budget of each political subdivision~~
22 ~~also shall show that the aggregate levies made by such tangible property~~
23 ~~tax-levying political subdivisions will produce a sum less than the amount~~
24 ~~which the aggregate levy would produce in an amount equal to or in~~
25 ~~excess of the aggregate amount of the budget items of such distribution~~
26 ~~shown in the aggregate levy that shows a total amount of ad valorem tax~~
27 ~~to be levied in an amount that is equal to or less than the total amount of~~
28 ~~ad valorem tax levied for the preceding tax year. For purposes of this~~
29 ~~eligibility requirement, the "total amount of ad valorem tax to be levied"~~
30 ~~shall be such amount as determined before crediting as income any~~
31 ~~estimated amounts of distribution from the local ad valorem tax reduction~~
32 ~~fund. When a political subdivision complies with the provisions of the act~~
33 ~~and is entitled to participate, the tax levy shall be calculated based on the~~
34 ~~certified total amount of ad valorem tax to be levied reduced by the~~
35 ~~estimated amount of the distribution from the local ad valorem tax~~
36 ~~reduction fund credited as income to one or more tax levy funds in~~
37 ~~accordance with K.S.A. 79-2960, and amendments thereto. Political~~
38 ~~subdivisions may choose not to participate in the distribution from the~~
39 ~~local ad valorem tax reduction fund.~~

40 (c) In crediting the amount that has been divided pursuant to
41 subsection (a) ~~or subsection (d),~~ the county treasurer shall proceed as
42 follows: Upon receipt of the payment from the state treasurer each year,
43 credit the appropriate fund or funds of each political subdivision

1 complying with the provisions of this act with its proportionate share of
2 such payment and the county treasurer shall notify such political
3 subdivision of the amounts so credited. This section and K.S.A. 79-2960,
4 and amendments thereto, shall not apply to school districts. *Any amounts*
5 *or shares of such payment that are not credited to a fund or funds because*
6 *political subdivisions did not comply with the provisions of this act shall*
7 *be returned or remitted by the county treasurer to the state treasurer*
8 *within 30 days of receipt. Upon receipt of each such remittance, the state*
9 *treasurer shall deposit the entire amount in the state treasury to the credit*
10 *of the state general fund.*

11 ~~(d) The amount paid by the state treasurer to the county treasurer of~~
12 ~~each county under subsection (d) of K.S.A. 79-2959 and amendments~~
13 ~~thereto, shall be divided only among the one or more community colleges~~
14 ~~or municipal universities, or both, which received amounts under this~~
15 ~~section from the payment made from the local ad valorem tax reduction~~
16 ~~fund on January 15, 1983. The amount received by each such community~~
17 ~~college or municipal university under this subsection shall bear the same~~
18 ~~proportion to the total amount paid to such county under subsection (d) of~~
19 ~~K.S.A. 79-2959 and amendments thereto, as the amount received by such~~
20 ~~community college or municipal university under this section from the~~
21 ~~payment made to such county from the local ad valorem tax reduction~~
22 ~~fund on January 15, 1983, bears to the total amount received by all such~~
23 ~~community colleges and municipal universities under this section from~~
24 ~~such payment.~~

25 Sec. 3. K.S.A. 79-2960 and 79-2961 are hereby repealed.

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