

**SENATE BILL No. 482**

By Committee on Ways and Means

2-7

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1 AN ACT concerning property taxation; relating to tax levy rates; providing  
2 that county clerks are not required to send revenue neutral rate notices  
3 to property owners of exempt property; amending K.S.A. 2023 Supp.  
4 79-2988 and repealing the existing section.  
5

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

7 Section 1. K.S.A. 2023 Supp. 79-2988 is hereby amended to read as  
8 follows: 79-2988. (a) On or before June 15 each year, the county clerk  
9 shall calculate the revenue neutral rate for each taxing subdivision and  
10 include such revenue neutral rate on the notice of the estimated assessed  
11 valuation provided to each taxing subdivision for budget purposes. The  
12 director of accounts and reports shall modify the prescribed budget  
13 information form to show the revenue neutral rate.

14 (b) No tax rate in excess of the revenue neutral rate shall be levied by  
15 the governing body of any taxing subdivision unless a resolution or  
16 ordinance has been approved by the governing body according to the  
17 following procedure:

18 (1) At least 10 days in advance of the public hearing, the governing  
19 body shall publish notice of its proposed intent to exceed the revenue  
20 neutral rate by publishing notice:

21 (A) On the website of the governing body, if the governing body  
22 maintains a website; and

23 (B) in a weekly or daily newspaper of the county having a general  
24 circulation therein. The notice shall include, but not be limited to, its  
25 proposed tax rate, its revenue neutral rate and the date, time and location  
26 of the public hearing.

27 (2) On or before July 20, the governing body shall notify the county  
28 clerk of its proposed intent to exceed the revenue neutral rate and provide  
29 the date, time and location of the public hearing and its proposed tax rate.  
30 For all tax years commencing after December 31, 2021, the county clerk  
31 shall notify each taxpayer with property in the taxing subdivision, by mail  
32 directed to the taxpayer's last known address, of the proposed intent to  
33 exceed the revenue neutral rate at least 10 days in advance of the public  
34 hearing. Alternatively, the county clerk may transmit the notice to the  
35 taxpayer by electronic means at least 10 days in advance of the public  
36 hearing, if such taxpayer and county clerk have consented in writing to

1 service by electronic means. *The county clerk is not required to send a*  
2 *notice to a property owner of property that is exempt from ad valorem*  
3 *taxation.* The county clerk shall consolidate the required information for  
4 all taxing subdivisions relevant to the taxpayer's property on one notice.  
5 The notice shall be in a format prescribed by the director of accounts and  
6 reports. The notice shall include, but not be limited to:

7 (A) The revenue neutral rate of each taxing subdivision relevant to  
8 the taxpayer's property;

9 (B) the proposed property tax revenue needed to fund the proposed  
10 budget of the taxing subdivision, if the taxing subdivision notified the  
11 county clerk of its proposed intent to exceed its revenue neutral rate;

12 (C) the proposed tax rate based upon the proposed budget and the  
13 current year's total assessed valuation of the taxing subdivision, if the  
14 taxing subdivision notified the county clerk of its proposed intent to  
15 exceed its revenue neutral rate;

16 (D) the percentage by which the proposed tax rate exceeds the  
17 revenue neutral rate;

18 (E) the tax rate and property tax of each taxing subdivision on the  
19 taxpayer's property from the previous year's tax statement;

20 (F) the appraised value and assessed value of the taxpayer's property  
21 for the current year;

22 (G) the estimates of the tax for the current tax year on the taxpayer's  
23 property based on the revenue neutral rate of each taxing subdivision and  
24 any proposed tax rates that exceed the revenue neutral rates;

25 (H) the difference between the estimates of tax based on the proposed  
26 tax rate and the revenue neutral rate on the taxpayer's property described in  
27 subparagraph (G) for any taxing subdivision that has a proposed tax rate  
28 that exceeds its revenue neutral rate; and

29 (I) the date, time and location of the public hearing of the taxing  
30 subdivision, if the taxing subdivision notified the county clerk of its  
31 proposed intent to exceed its revenue neutral rate.

32 Although the state of Kansas is not a taxing subdivision for purposes of  
33 this section, the notice shall include a statement of the statutory mill levies  
34 imposed by the state and the estimate of the tax for the current year on the  
35 taxpayer's property based on such levies.

36 (3) The public hearing to consider exceeding the revenue neutral rate  
37 shall be held not sooner than August 20 and not later than September 20.  
38 The governing body shall provide interested taxpayers desiring to be heard  
39 an opportunity to present oral testimony within reasonable time limits and  
40 without unreasonable restriction on the number of individuals allowed to  
41 make public comment. The public hearing may be conducted in  
42 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,  
43 and amendments thereto, if the governing body otherwise complies with

1 all requirements of this section. Nothing in this section shall be construed  
2 to prohibit additional public hearings that provide additional opportunities  
3 to present testimony or public comment prior to the public hearing  
4 required by this section.

5 (4) A majority vote of the governing body, by the adoption of a  
6 resolution or ordinance to approve exceeding the revenue neutral rate,  
7 shall be required prior to adoption of a proposed budget that will result in a  
8 tax rate in excess of the revenue neutral rate. Such vote of the governing  
9 body shall be conducted at the public hearing after the governing body has  
10 heard from interested taxpayers and shall be a roll call vote. If the  
11 governing body approves exceeding the revenue neutral rate, the  
12 governing body shall not adopt a budget that results in a tax rate in excess  
13 of its proposed tax rate as stated in the notice provided pursuant to this  
14 section. A copy of the resolution or ordinance to approve exceeding the  
15 revenue neutral rate and a certified copy of any roll call vote reporting, at a  
16 minimum, the name and vote of each member of the governing body  
17 related to exceeding the revenue neutral rate, whether approved or not,  
18 shall be included with the adopted budget, budget certificate and other  
19 budget forms filed with the county clerk and the director of accounts and  
20 reports and shall be published on the website of the department of  
21 administration.

22 (c) (1) Any governing body subject to the provisions of this section  
23 that does not comply with subsection (b) shall refund to taxpayers any  
24 property taxes over-collected based on the amount of the levy that was in  
25 excess of the revenue neutral rate.

26 (2) Any taxpayer of the taxing subdivision that is the subject of the  
27 complaint or such taxpayer's duly authorized representative may file a  
28 complaint with the state board of tax appeals by filing a written complaint,  
29 on a form prescribed by the board, that contains the facts that the  
30 complaining party believes show that a governing body of a taxing  
31 subdivision did not comply with the provisions of subsection (b) and that a  
32 reduction or refund of taxes is appropriate. The complaining party shall  
33 provide a copy of such complaint to the governing body of the taxing  
34 subdivision making the levy that is the subject of the complaint.  
35 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee  
36 shall be charged by the executive director of the state board of tax appeals  
37 for a complaint filed pursuant to this paragraph. The governing body of the  
38 taxing subdivision making the levy that is the subject of the complaint  
39 shall be a party to the proceeding. Notice of any summary proceeding or  
40 hearing shall be served upon such governing body, the county clerk, the  
41 director of accounts and reports and the complaining party. It shall be the  
42 duty of the governing body to initiate the production of evidence to  
43 demonstrate, by a preponderance of the evidence, the validity of such levy.

1 If upon a summary proceeding or hearing, it shall be made to appear to the  
2 satisfaction of the board that the governing body of the taxing subdivision  
3 did not comply with subsection (b), the state board of tax appeals shall  
4 order such governing body to refund to taxpayers the amount of property  
5 taxes over collected or reduce the taxes levied, if uncollected. The  
6 provisions of this paragraph shall not be construed as prohibiting any other  
7 remedies available under the law.

8 (d) On and after January 1, 2022, in the event that the 20 mills levied  
9 by a school district pursuant to K.S.A. 72-5142, and amendments thereto,  
10 increases the property tax revenue generated for the purpose of calculating  
11 the revenue neutral rate from the previous tax year and such amount of  
12 increase in revenue generated from the 20 mills is the only reason the  
13 school district would exceed the total property tax revenue from the prior  
14 year, the school district shall be deemed to not have exceeded the revenue  
15 neutral rate in levying a tax rate in excess of the revenue neutral rate to  
16 take into account the increase in revenue from only the 20 mills.

17 (e) (1) Notwithstanding any other provision of law to the contrary, if  
18 the governing body of a taxing subdivision must conduct a public hearing  
19 to approve exceeding the revenue neutral rate under this section, the  
20 governing body of the taxing subdivision shall certify, on or before  
21 October 1, to the proper county clerk the amount of ad valorem tax to be  
22 levied.

23 (2) If a governing body of a taxing subdivision did not comply with  
24 the provisions of subsection (b) and certifies to the county clerk an amount  
25 of ad valorem tax to be levied that would result in a tax rate in excess of its  
26 revenue neutral rate, the county clerk shall reduce the ad valorem tax to be  
27 levied to the amount resulting from such taxing subdivision's revenue  
28 neutral rate.

29 (f) As used in this section:

30 (1) "Taxing subdivision" means any political subdivision of the state  
31 that levies an ad valorem tax on property.

32 (2) "Revenue neutral rate" means the tax rate for the current tax year  
33 that would generate the same property tax revenue as levied the previous  
34 tax year using the current tax year's total assessed valuation. To calculate  
35 the revenue neutral rate, the county clerk shall divide the property tax  
36 revenue for such taxing subdivision levied for the previous tax year by the  
37 total of all taxable assessed valuation in such taxing subdivision for the  
38 current tax year, and then multiply the quotient by 1,000 to express the rate  
39 in mills. The revenue neutral rate shall be expressed to the third decimal  
40 place.

41 (g) In the event that a county clerk incurred costs of printing and  
42 postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989,  
43 and amendments thereto, such county clerk may seek reimbursement from

1 all taxing subdivisions required to send the notice. Such costs shall be  
2 shared proportionately by all taxing subdivisions that were included on the  
3 same notice based on the total property tax levied by each taxing  
4 subdivision. Payment of such costs shall be due to the county clerk by  
5 December 31.

6 (h) The department of administration or the director of accounts and  
7 reports shall make copies of adopted budgets, budget certificates, other  
8 budget documents and revenue neutral rate documents available to the  
9 public on the department of administration's website on a permanently  
10 accessible web page that may be accessed via a conspicuous link to that  
11 web page placed on the front page of the department's website. The  
12 department of administration or the director of accounts and reports shall  
13 also make the following information for each tax year available on such  
14 website:

- 15 (1) A list of taxing subdivisions by county;
- 16 (2) whether each taxing subdivision conducted a hearing to consider  
17 exceeding its revenue neutral rate;
- 18 (3) the revenue neutral rate of each taxing subdivision;
- 19 (4) the tax rate resulting from the adopted budget of each taxing  
20 subdivision; and
- 21 (5) the percent change between the revenue neutral rate and the tax  
22 rate for each taxing subdivision.

23 Sec. 2. K.S.A. 2023 Supp. 79-2988 is hereby repealed.

24 Sec. 3. This act shall take effect and be in force from and after its  
25 publication in the statute book.