As Amended by House Committee

Session of 2011

HOUSE BILL No. 2212


AN ACT concerning property taxation; relating to revenues produced by property tax levies; mill levy adjustments; resolutions, publication requirements; [transferring moneys to the local ad valorem tax reduction fund;] amending K.S.A. 2010 Supp. 79-2925b {79-2959} and repealing the existing section.

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

New Section 1. (a) Subject to the provisions of K.S.A. 79-2925b, and amendments thereto, if the total taxable real property valuation in any municipality increases due to increases in the assessed valuation of existing real property, then the governing body shall lower the mill levy rate to such rate that would equal the amount of ad valorem property taxes levied in the next preceding year. This subsection shall not apply to ad valorem taxes levied under K.S.A. 72-6431, 76-6b01 and 76-6b05, and amendments thereto, or any other ad valorem tax levy which was previously approved by the voters of such municipality. Property that, in the current year, is new construction, is located within added jurisdictional territory, or has changed in use shall not be considered when determining whether the total taxable real property valuation has increased from the prior year.

(b) If the total taxable real property valuation in any municipality decreases, then the governing body may increase the mill levy rate, subject to any statutory restrictions, to a rate that would equal the amount of ad valorem property taxes levied in the next preceding year.

(c) The provisions of subsection (a) shall not apply to or limit the levy of ad valorem taxes for the payment of principal and interest on bonds, temporary notes and no-fund warrants or judgments rendered against any such taxing subdivision.

(d) For the purpose of this section, “municipality” means any county, township, city, municipal university, school district, community college, drainage district and any other taxing district or political subdivision which levies taxes on property.

Sec. 2. K.S.A. 2010 Supp. 79-2925b is hereby amended to read...
as follows: 79-2925b. (a) Without adoption of a resolution or ordinance so
providing, the governing body of any taxing subdivision 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,
except with regard to revenue 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; and
(4) property which has changed in use.
(b) The provisions of this section shall be applicable to all fiscal and
budget years commencing on and after the effective date of this act.
(c) The provisions of this section shall not apply to community
colleges or unified school districts.
(d) Any resolution adopted pursuant to this section shall be published
in the official county newspaper of the county where such taxing
subdivision is located.

Section 1. K.S.A. 2011 Supp. 79-2959 is hereby amended to read
as follows: 79-2959. (a) There is hereby created the local *ad valorem*
tax reduction fund. All moneys transferred or credited to such fund
under the provisions of this act or any other law shall be apportioned
and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of
accounts and reports shall make transfers in equal amounts which in
the aggregate equal 3.63% of the total retail sales and compensating
taxes credited to the state general fund pursuant to articles 36 and 37
of chapter 79 of Kansas Statutes Annotated and acts amendatory
thereof and supplemental thereto during the preceding calendar year
from the state general fund to the local *ad valorem* tax reduction fund,
except that: (1) No moneys shall be transferred from the state general
fund to the local *ad valorem* tax reduction fund during state fiscal
years 2009, 2010, 2011, 2012, and 2013, and (2) the amount of the
transfer on each such date shall be $13,500,000 during
fiscal years 2013 and 2014, $20,250,000 during fiscal year 2015,
and $27,000,000 during fiscal year 2016 and all fiscal years thereafter.
All such transfers are subject to reduction under K.S.A. 75-6704, and
amendments thereto. All transfers made in accordance with the
provisions of this section shall be considered to be demand transfers.
from the state general fund, except that all such transfers during fiscal
year 2014 shall be considered to be revenue transfers from the state
general fund.

(c) The state treasurer shall apportion and pay the amounts
transferred under subsection (b) to the several county treasurers on
January 15 and on July 15 in each year as follows: (1) Sixty-five
percent of the amount to be distributed shall be apportioned on the
basis of the population figures of the counties certified to the secretary
of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1
of the preceding year; and (2) thirty-five percent of such amount shall
be apportioned on the basis of the equalized assessed tangible
valuations on the tax rolls of the counties on November 1 of the
preceding year as certified by the director of property valuation.

Sec. 3. (Sec. 2.) K.S.A. 2010 Supp. 79-2925b {79-2959} is
hereby repealed.

Sec. 4. (3.) This act shall take effect and be in force from and after its
publication in the statute book.