HOUSE BILL No. 2609

By Committee on Taxation

2-2

AN ACT concerning property tax; transferring moneys to the local ad valorem tax reduction fund; distribution to political subdivisions; relating to revenues produced by property tax levies; mill levy adjustments; resolutions, publication requirements; time for payment of taxes, persons 65 years of age and older; amending K.S.A. 79-2961 and K.S.A. 2011 Supp. 79-2004, 79-2004a, 79-2925b and 79-2959 and repealing the existing section sections.

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

Section 1. K.S.A. 2011 Supp. 79-2004 is hereby amended to read as follows: 79-2004. (a) Except as provided by K.S.A. 79-4521, and amendments thereto, any person charged with real property taxes on the tax books in the hands of the county treasurer may pay, at such person's option, the full amount thereof on or before December 20 of each year, or 1/2 thereof on or before December 20 and the remaining 1/2 on or before May 10 next ensuing; or for any person who is 65 years of age or older on or before December of any year and who is charged with real property taxes on such person's principal place of residence may pay, at such person's option, the full amount thereon or before December 20 of each year, or 1/2 thereof on or before December 20 and the remaining 1/2 on or before May 10 next ensuing, or 1/4 thereof on or before December 20, 1/4 on or before February 10 next ensuing, 1/4 on or before April 10 next ensuing and the remaining 1/4 on or before May 10 next ensuing. If the full amount of the real property taxes listed upon any tax statement is $10 or less the entire amount of such tax shall be due and payable on or before December 20.

In case the first half of the real property taxes remains unpaid after December 20, the first half of the tax shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum and may be paid at any time prior to May 10 following by paying 1/2 of the tax together with interest at such rate from December 20 to date of payment. In case any of the 1/4 payments of real property taxes remain unpaid by a person 65 years of age or older as described in subsection (a) after December 20, February 10 or
April 10, such amount of unpaid taxes shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum and may be paid at any time prior to May 10 following by paying such amount of unpaid taxes together with interest at such rate from the date of the missed payment to the date of payment. Subject to the provisions of subsection (d), all real property taxes of the preceding year and accrued interest thereon which remain due and unpaid on May 11 shall accrue interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum from May 10 until paid, or until the real property is sold for taxes by foreclosure as provided by law. Except as provided by subsection (c), all interest herein provided shall be credited to the county general fund, and whenever any such interest is paid the county treasurer shall enter the amount of interest so paid on the tax rolls in the proper column and account for such sum.

(b) Whenever any date prescribed in subsection (a) for the payment of real property taxes occurs on a Saturday or Sunday, such date for payment shall be extended until the next-following regular business day of the office of the county treasurer.

(c) The board of county commissioners may enter into an agreement with the governing body of any city located in the county for the distribution of part or all of the interest paid on special assessments levied by the city which remain unpaid.

(d) All real property taxes of any year past due and unpaid on the effective date of this section and interest accrued thereon pursuant to this section prior to its amendment by this act shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum from the effective date of this section until paid or until the real property is sold for taxes by foreclosure as provided by law.

Sec. 2. K.S.A. 2011 Supp. 79-2004a is hereby amended to read as follows: 79-2004a. (a) Any taxpayer charged with personal property taxes on the tax books in the hands of the county treasurer may at such taxpayer's option pay the full amount thereof on or before December 20 of each year, or 1/2 thereof on or before December 20 and the remaining 1/2 thereof on or before May 10 next ensuing; any taxpayer who is 65 years of age or older on or before December of any year and who is charged with personal property taxes on personal property which is such taxpayer's principal place of residence may pay, at the taxpayer's option, the full amount thereof on or before December 20, or 1/2 thereof on or before December 20 and the remaining 1/2 thereof on or before May 10 next ensuing, or 1/4 thereof on or before December 20, 1/4 thereof on or before February 10 next ensuing, 1/4 thereof on or before
April 10 next ensuing and the remaining 1/4 thereof on or before May 10 next ensuing; except that: (1) all unpaid personal property taxes of the preceding year must first be paid; and (2) if the full amount of the personal property taxes listed upon any tax statement shall be $10 or less the entire amount of such taxes shall be due and payable on or before December 20.

(2) In the event anyone charged with personal property taxes shall fail to pay the first half amount due thereof on or before December 20 date of payment, the full amount thereof shall become immediately due and payable.

(3) In case the first half of the taxes remains unpaid after December 20, the entire and full amount of personal property taxes charged shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum from December 20 to date of payment. In case any of the 1/4 payments of personal property taxes remain unpaid by a person 65 years of age or older as described in this subsection after December 20, February 10 or April 10, such amount of unpaid taxes shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum and may be paid at any time prior to May 10 following by paying such amount of unpaid taxes together with interest at such rate from the date of the missed payment to the date of payment. Subject to the provisions of subsection (c) all personal property taxes of the preceding year and interest thereon which shall remain due and unpaid on May 11 shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum from May 10 until paid. All interest herein provided for shall be credited to the county general fund and retained by the county, and whenever any such interest is paid, the county treasurer shall enter the amount of interest so paid on the tax rolls in the proper column and account for such sum.

(b) Whenever any date prescribed in subsection (a) for the payment of personal property taxes occurs on a Saturday or Sunday, such date for payment shall be extended until the next-following regular business day of the office of the county treasurer.

(c) All personal property taxes of any year past due and unpaid on the effective date of this section and interest accrued thereon pursuant to this section prior to its amendment by this act shall draw interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two percentage points, per annum from the effective date of this section until paid.

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 year 2014, $20,250,000 and of $22,500,000
during fiscal year 2015, and $27,000,000 during fiscal year 2016 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.

New Sec. 2[4].  (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. 3{5}. K.S.A. 2011 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) 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.

(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.

Sec. 4{6}. K.S.A. 79-2961 is hereby amended to read as follows: 79-2961. (a) The county clerk shall certify to the county treasurer when budgets are made pursuant to K.S.A. 79-2960, and amendments
thereto, and tax levies are filed with the county clerk. Prior to
crediting the proper amounts under subsection (c) and except as
provided in subsection (d), the county treasurer shall divide the
amount paid by the state treasurer to the county treasurer among the
county and all other taxing subdivisions of the county except school
districts and any incorporated city within which any portion of the
Fort Riley military reservation is located and which would otherwise
be a participant in the Riley county allocation, which comply with the
requirements of this act, in the proportion that the product of the last
preceding total tangible tax rate of each subdivision, times its
equalized tangible assessed valuation for the preceding year, is to the
sum of such products of all the tangible tax-levying political
subdivisions, except school districts and any incorporated city within
which any portion of the Fort Riley military reservation is located and
which would otherwise be a participant in the Riley county allocation,exclusive of the levy by the county for any deficiency for state
purposes.

(b) No political subdivision shall be entitled to participate in the
distribution of any money appropriated to carry out K.S.A. 79-2960,
and amendments thereto, and this section unless and until such political
subdivision has adopted and certified a budget for the ensuing year which
shows as a separate item the amount of the distribution to one or more tax
levy funds of general application within such subdivision except bond and
interest funds and has certified a tax levy for each such fund that will
produce a sum of money less than the amount which a maximum levy
would produce for each such fund, in an amount equal to or in excess of
the amount of such distribution. The budget of each political subdivision
also shall show that the aggregate levies made by such tangible property
tax-levying political subdivisions will produce a sum less than the amount
which the aggregate levy would produce in an amount equal to or in
excess of the aggregate amount of the budget items of such distribution
shown in the aggregate levy that property tax revenues from the preceding
year have been reduced by an amount equal to the amount received by the
political subdivision from the local ad valorem tax reduction fund.

(c) In crediting the amount that has been divided pursuant to
subsection (a) or subsection (d), the county treasurer shall proceed as
follows: Upon receipt of the payment from the state treasurer each
year, credit the appropriate fund or funds of each political subdivision
complying with the provisions of this act with its proportionate share
of such payment and the county treasurer shall notify such political
subdivision of the amounts so credited. This section and K.S.A. 79-
2960, and amendments thereto, shall not apply to school districts.

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


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