

As Amended by House Committee

Session of 2011

SENATE BILL No. 21

By Legislative Educational Planning Committee

1-14

1 AN ACT concerning school districts; relating to school finance; **enacting**
2 **the Kansas uniform financial accounting and reporting act;**
3 amending K.S.A. 2010 Supp. 72-6441, 72-6449, ~~and 72-6451~~ **and 72-**
4 **8254** and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2010 Supp. 72-6441 is hereby amended to read as
8 follows: 72-6441. (a) (1) The board of any district to which the provisions
9 of this subsection apply may levy an ad valorem tax on the taxable
10 tangible property of the district each year for a period of time not to
11 exceed two years in an amount not to exceed the amount authorized by the
12 state court of tax appeals under this subsection for the purpose of financing
13 the costs incurred by the state that are directly attributable to assignment of
14 ancillary school facilities weighting to enrollment of the district. The state
15 court of tax appeals may authorize the district to make a levy which will
16 produce an amount that is not greater than the difference between the
17 amount of costs directly attributable to commencing operation of one or
18 more new school facilities and the amount that is financed from any other
19 source provided by law for such purpose, including any amount
20 attributable to assignment of school facilities weighting to enrollment of
21 the district for each school year in which the district is eligible for such
22 weighting. If the district is not eligible, or will be ineligible, for school
23 facilities weighting in any one or more years during the two-year period
24 for which the district is authorized to levy a tax under this subsection, the
25 state court of tax appeals may authorize the district to make a levy, in such
26 year or years of ineligibility, which will produce an amount that is not
27 greater than the actual amount of costs attributable to commencing
28 operation of the facility or facilities.

29 (2) The state court of tax appeals shall certify to the state board of
30 education the amount authorized to be produced by the levy of a tax under
31 subsection (a).

32 (3) The state court of tax appeals may adopt rules and regulations
33 necessary to effectuate the provisions of this subsection, including rules
34 and regulations relating to the evidence required in support of a district's
35 claim that the costs attributable to commencing operation of one or more
36 new school facilities are in excess of the amount that is financed from any

1 other source provided by law for such purpose.

2 (4) The provisions of this subsection apply to any district that: (A)
3 Commenced operation of one or more new school facilities in the school
4 year preceding the current school year or has commenced or will
5 commence operation of one or more new school facilities in the current
6 school year or any or all of the foregoing; (B) is authorized to adopt and
7 has adopted a local option budget which is at least equal to that amount
8 required to qualify for school facilities weighting under K.S.A. 2010 Supp.
9 72-6415b, and amendments thereto; and (C) is experiencing extraordinary
10 enrollment growth as determined by the state board of education.

11 (b) The board of any district that has levied an ad valorem tax on the
12 taxable tangible property of the district each year for a period of two years
13 under authority of subsection (a) may continue to levy such tax under
14 authority of this subsection each year for an additional period of time not
15 to exceed three years in an amount not to exceed the amount computed by
16 the state board of education as provided in this subsection if the board of
17 the district determines that the costs attributable to commencing operation
18 of one or more new school facilities are significantly greater than the costs
19 attributable to the operation of other school facilities in the district. The tax
20 authorized under this subsection may be levied at a rate which will
21 produce an amount that is not greater than the amount computed by the
22 state board of education as provided in this subsection. In computing such
23 amount, the state board shall: (1) Determine the amount produced by the
24 tax levied by the district under authority of subsection (a) in the second
25 year for which such tax was levied and add to such amount the amount of
26 general state aid directly attributable to school facilities weighting that was
27 received by the district in the same year, ~~and~~; (2) compute 75% of the
28 amount of the sum obtained under (1), which computed amount is the
29 amount the district may levy in the first year of the three-year period for
30 which the district may levy a tax under authority of this subsection, ~~and~~; ;
31 (3) compute 50% of the amount of the sum obtained under (1), which
32 computed amount is the amount the district may levy in the second year of
33 the three-year period for which the district may levy a tax under authority
34 of this subsection; ; and (4) compute 25% of the amount of the sum
35 obtained under (1), which computed amount is the amount the district may
36 levy in the third year of the three-year period for which the district may
37 levy a tax under authority of this subsection.

38 *In determining the amount produced by the tax levied by the district*
39 *under authority of subsection (a), the state board shall include any moneys*
40 *which have been apportioned to the ancillary facilities fund of the district*
41 *from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-*
42 *5118 et seq., and amendments thereto.*

43 (c) The proceeds from the tax levied by a district under authority of

1 this section shall be remitted to the state treasurer in accordance with the
2 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
3 each such remittance, the state treasurer shall deposit the entire amount in
4 the state treasury to the credit of the state school district finance fund.

5 Sec. 2. K.S.A. 2010 Supp. 72-6449 is hereby amended to read as
6 follows: 72-6449. (a) As used in this section, "school district" or "district"
7 means a school district authorized to make a levy under this section.

8 (b) The board of education of any district may levy a tax on the
9 taxable tangible property within the district for the purpose of financing
10 the costs incurred by the state that are attributable directly to assignment of
11 the cost of living weighting to the enrollment of the district. There is
12 hereby established in every school district a fund which shall be called the
13 cost of living fund, which fund shall consist of all moneys deposited
14 therein or transferred thereto in accordance with law. All moneys derived
15 from a tax imposed pursuant to this section shall be credited to the cost of
16 living fund. The proceeds from the tax levied by a district credited to the
17 cost of living fund shall be remitted to the state treasurer in accordance
18 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
19 receipt of each such remittance, the state treasurer shall deposit the entire
20 amount in the state treasury to the credit of the state school district finance
21 fund.

22 (c) The state board of education shall determine whether a district
23 may levy a tax under this section as follows:

24 (1) Determine the statewide average appraised value of single family
25 residences for the calendar year preceding the current school year;

26 (2) multiply the amount determined under (1) by 1.25;

27 (3) determine the average appraised value of single family residences
28 in each school district for the calendar year preceding the current school
29 year; and

30 (4) (A) subtract the amount determined under (2) from the amount
31 determined under (3). If the amount determined for the district under this
32 paragraph is a positive number and the district is authorized to adopt and
33 has adopted a local option budget in an amount equal to at least 31% of the
34 state financial aid for the school district, the district qualifies for
35 assignment of cost of living weighting and may levy a tax on the taxable
36 tangible property of the district for the purpose of financing the costs that
37 are attributable directly to assignment of the cost of living weighting to
38 enrollment of the district; or

39 (B) As an alternative to the authority provided in paragraph (4)(A), if
40 a district was authorized to make a levy pursuant to this section in school
41 year 2006-2007, such district shall remain authorized to levy such tax at a
42 rate necessary to generate revenue in the same amount generated in school
43 year 2006-2007 if: (i) The amount determined under paragraph (4)(A) is a

1 positive number; and (ii) the district continues to adopt a local option
2 budget in an amount equal to the state prescribed percentage in effect in
3 school year 2006-2007.

4 (d) No tax may be levied under this section unless the board of
5 education adopts a resolution authorizing such a tax levy and publishes the
6 resolution at least once in a newspaper having general circulation in the
7 district. Except as provided by subsection (e), the resolution shall be
8 published in substantial compliance with the following form:

9 Unified School District No. _____,
10 _____ County, Kansas.

11 RESOLUTION

12 Be It Resolved that:

13 The board of education of the above-named school district shall be
14 authorized to levy an ad valorem tax in an amount not to exceed the
15 amount necessary to finance the costs attributable directly to the
16 assignment of cost of living weighting to the enrollment of the district. The
17 ad valorem tax authorized by this resolution may be levied unless a
18 petition in opposition to the same, signed by not less than 5% of the
19 qualified electors of the school district, is filed with the county election
20 officer of the home county of the school district within 30 days after the
21 publication of this resolution. If a petition is filed, the county election
22 officer shall submit the question of whether the levy of such a tax shall be
23 authorized in accordance with the provisions of this resolution to the
24 electors of the school district at the next general election of the school
25 district, as is specified by the board of education of the school district.

26 CERTIFICATE

27
28 This is to certify that the above resolution was duly adopted by the
29 board of education of Unified School District No. _____,
30 County, Kansas, on the ____ day of _____, (year)____.

31 _____
32 Clerk of the board of education.
33

34 All of the blanks in the resolution shall be filled. If no petition as
35 specified above is filed in accordance with the provisions of the resolution,
36 the resolution authorizing the ad valorem tax levy shall become effective.
37 If a petition is filed as provided in the resolution, the board may notify the
38 county election officer to submit the question of whether such tax levy
39 shall be authorized. If the board fails to notify the county election officer
40 within 30 days after a petition is filed, the resolution shall be deemed
41 abandoned and of no force and effect and no like resolution shall be
42 adopted by the board within the nine months following publication of the
43 resolution. If a majority of the votes cast in an election conducted pursuant

1 to this provision are in favor of the resolution, such resolution shall be
2 effective on the date of such election. If a majority of the votes cast are not
3 in favor of the resolution, the resolution shall be deemed of no effect and
4 no like resolution shall be adopted by the board within the nine months
5 following such election.

6 *(e) In determining the amount produced by the tax levied by the*
7 *district under the authority of this section, the state board shall include*
8 *any moneys which have been apportioned to the cost of living fund of the*
9 *district from taxes levied under the provisions of K.S.A. 79-5101 et seq.*
10 *and 79-5118 et seq., and amendments thereto.*

11 Sec. 3. K.S.A. 2010 Supp. 72-6451 is hereby amended to read as
12 follows: 72-6451. (a) As used in this section:

13 (1) "School district" or "district" means a school district which: (A)
14 Has a declining enrollment; and (B) has adopted a local option budget in
15 an amount which equals at least 31% of the state financial aid for the
16 school district at the time the district applies to the state court of tax
17 appeals for authority to make a levy pursuant to this section.

18 (2) "Declining enrollment" means an enrollment which has declined
19 in amount from that of the preceding school year.

20 (b) (1) (A) A school district may levy an ad valorem tax on the
21 taxable tangible property of the district each year for a period of time not
22 to exceed two years in an amount not to exceed the amount authorized by
23 the state court of tax appeals under this subsection for the purpose of
24 financing the costs incurred by the state that are directly attributable to
25 assignment of declining enrollment weighting to enrollment of the district.
26 The state court of tax appeals may authorize the district to make a levy
27 which will produce an amount that is not greater than the amount of
28 revenues lost as a result of the declining enrollment of the district. Such
29 amount shall not exceed 5% of the general fund budget of the district in
30 the school year in which the district applies to the state court of tax appeals
31 for authority to make a levy pursuant to this section.

32 (B) As an alternative to the authority provided in paragraph (1)(A), if
33 a district was authorized to make a levy pursuant to this section in school
34 year 2006-2007, such district shall remain authorized to make a levy at a
35 rate necessary to generate revenue in the same amount that was generated
36 in school year 2007-2008 if the district adopts a local option budget in an
37 amount equal to the state prescribed percentage in effect in school year
38 2006-2007.

39 (2) The state court of tax appeals shall certify to the state board the
40 amount authorized to be produced by the levy of a tax under this section.

41 (3) The state board shall prescribe guidelines for the data that school
42 districts shall include in cases before the state court of tax appeals pursuant
43 to this section.

1 (c) A district may levy the tax authorized pursuant to this section for a
 2 period of time not to exceed two years unless authority to make such levy
 3 is renewed by the state court of tax appeals. The state court of tax appeals
 4 may renew the authority to make such levy for periods of time not to
 5 exceed two years.

6 (d) The state board shall provide to the state court of tax appeals such
 7 school data and information requested by the state court of tax appeals and
 8 any other information deemed necessary by the state board.

9 (e) There is hereby established in every district a fund which shall be
 10 called the declining enrollment fund. Such fund shall consist of all moneys
 11 deposited therein or transferred thereto according to law. The proceeds
 12 from the tax levied by a district under authority of this section shall be
 13 credited to the declining enrollment fund of the district. The proceeds from
 14 the tax levied by a district credited to the declining enrollment fund shall
 15 be remitted to the state treasurer in accordance with the provisions of
 16 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
 17 remittance, the state treasurer shall deposit the entire amount in the state
 18 treasury to the credit of the state school district finance fund.

19 (f) *In determining the amount produced by the tax levied by the*
 20 *district under authority of this section, the state board shall include any*
 21 *moneys which have been apportioned to the declining enrollment fund of*
 22 *the district from taxes levied under the provisions of K.S.A. 79-5101 et seq.*
 23 *and 79-5118 et seq., and amendments thereto.*

24 **Sec. 4. K.S.A. 2010 Supp. 72-8254 is hereby amended to read as**
 25 **follows: 72-8254. ~~In order to achieve uniform reporting of expenditures by~~**
 26 **~~school districts in school district budgets, districts shall report~~**
 27 **~~expenditures in the manner required by the state board.~~**

28 (a) *This section shall be known and may be cited as the Kansas*
 29 *uniform financial accounting and reporting act.*

30 (b) *As used in this section:*

31 (1) *"Reporting system" means the uniform reporting system,*
 32 *including a uniform chart of accounts, developed by the state board as*
 33 *required by this section.*

34 (2) *"School district" means any school district in the state.*

35 (3) *"State board" means the state board of education.*

36 (c) *The state board shall develop and maintain a uniform reporting*
 37 *system for the receipts and expenditures of school districts. The*
 38 *accounting records maintained by each school district shall be*
 39 *coordinated with the uniform reporting system. Each school district shall*
 40 *record the receipts and expenditures of the district in accordance with a*
 41 *uniform classification of accounts or chart of accounts and reports as*
 42 *shall be prescribed by the state board. Each school district shall submit*
 43 *such reports and statements as may be required by the state board. The*

1 *state board shall design, revise and direct the use of accounting records*
2 *and fiscal procedures and prescribe uniform classifications for receipts*
3 *and expenditures for all school districts. The reporting system shall*
4 *include budgetary and proprietary (real) accounts. The state board shall*
5 *prescribe the necessary forms to be used by school districts in connection*
6 *with such uniform reporting system.*

7 *(d) The reporting system developed by the state board shall be*
8 *developed in such a manner that allows school districts to record and*
9 *report any information required by state or federal law.*

10 *(e) The reporting system shall provide records showing by funds,*
11 *accounts and other pertinent classifications, the amounts appropriated,*
12 *the estimated revenues, actual revenues or receipts, the amounts available*
13 *for expenditure, the total expenditures, the unliquidated obligations, actual*
14 *balances on hand and the unencumbered balances of allotments or*
15 *appropriations for each school district.*

16 *(f) The reporting system shall allow a person to search the data and*
17 *allow for the comparison of data by school district.*

18 *(g) As part of the uniform reporting system established pursuant to*
19 *this section, each school district shall annually submit a report to the state*
20 *board on the receipts and expenditures of the activity fund accounts and*
21 *the construction fund accounts of such school district. Such report shall be*
22 *submitted in a form and manner prescribed by the state board in*
23 *accordance with the provisions of this section.*

24 *(h) From and after July 1, 2012, the board of education of each*
25 *school district shall record and report the receipts and expenditures of the*
26 *district in the manner prescribed by the state board in accordance with*
27 *this section.*

28 *(i) Each school district shall annually publish on such district's*
29 *internet website a copy of form 150, estimated legal maximum general*
30 *fund budget, or any successor document containing the same or similar*
31 *information, that was submitted by such district to the state board of*
32 *education for the immediately preceding school year. A copy of such*
33 *document shall also be annually published by the department of education*
34 *on its internet website. Publications pursuant to this subsection shall be*
35 *conducted in such manner as to make the document readily accessible to*
36 *the public.*

37 *(j) The department of education shall annually publish on its internet*
38 *website the following expenditures for each school district on a per pupil*
39 *basis: (1) Total expenditures; (2) capital outlay expenditures; (3) bond and*
40 *interest expenditures; and (4) all other expenditures not included in (2) or*
41 *(3).*

42 ~~Sec. 4~~ **5.** K.S.A. 2010 Supp. 72-6441, 72-6449, ~~and 72-6451~~ **and 72-**
43 **8254** are hereby repealed.

1 Sec.~~5~~ **6**. This act shall take effect and be in force from and after its
2 publication in the statute book.