

(Corrected)

As Amended by House Committee

Session of 2012

SENATE BILL No. 257

By Legislative Educational Planning Committee

1-9

1 AN ACT concerning school districts; relating to ~~calculation of local option~~
2 ~~budget~~ **school finance**; amending K.S.A. 2011 Supp. ~~72-6433d-72-~~
3 **6410, 72-6415b, 72-6433, 72-6433d, 72-6435, 72-6449 and 72-6451**
4 and repealing the existing ~~section~~ **sections**; also repealing K.S.A. 2011
5 **Supp. 72-6442b.**

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

8 **New Section 1. (a) In each school year, the board of education of**
9 **each school district shall adopt a local foundation budget. The local**
10 **foundation budget of each school district shall be determined by the**
11 **state board as follows:**

12 **(1) In school districts which adopt a local option budget under**
13 **K.S.A. ~~2010~~ 2011 Supp. 72-6433d, and amendments thereto, the state**
14 **board shall:**

- 15 **(A) Determine the adjusted enrollment of the school district;**
16 **(B) multiply the number determined under clause (A) by \$4,433;**
17 **(C) add the amount of state aid for special education or related**
18 **services received by the school district in school year 2008-2009 to the**
19 **product obtained under clause (B);**
20 **(D) divide the sum obtained under clause (C) by .90; and**
21 **(E) multiply the sum obtained under clause (D) by .10. The**
22 **resulting product is the local foundation budget of the school district.**

23 **(2) In school districts which adopt a local option budget under**
24 **K.S.A. ~~2010~~ 2011 Supp. 72-6433, and amendments thereto, the state**
25 **board shall:**

- 26 **(A) Determine the adjusted enrollment of the school district;**
27 **(B) multiply the number determined under clause (A) by the base**
28 **state aid per pupil; and**
29 **(C) multiply the sum obtained under clause (B) by .10. The**
30 **resulting product is the local foundation budget of the school district.**

31 **Sec. 2. K.S.A. 2011 Supp. 72-6410 is hereby amended to read as**
32 **follows: 72-6410. (a) "State financial aid" means an amount equal to**
33 **90% of the product obtained by multiplying base state aid per pupil by**
34 **the adjusted enrollment of a district.**

35 **(b) (1) "Base state aid per pupil" means an amount of state**

1 financial aid per pupil. Subject to the other provisions of this
2 subsection, the amount of base state aid per pupil is \$4,433 in school
3 year 2008-2009 and \$4,492 in school year 2009-2010 and each school year
4 thereafter. \$4,200.

5 (2) The amount of base state aid per pupil is subject to reduction
6 commensurate with any reduction under K.S.A. 75-6704, and
7 amendments thereto, in the amount of the appropriation from the
8 state general fund for general state aid. If the amount of
9 appropriations for general state aid is insufficient to pay in full the
10 amount each district is entitled to receive for any school year, the
11 amount of base state aid per pupil for such school year is subject to
12 reduction commensurate with the amount of the insufficiency.

13 (c) "Local effort" means the sum of:

14 (1) An amount equal to the proceeds from the tax levied under
15 authority of K.S.A. 72-6431, and amendments thereto, ~~and~~ ;

16 (2) an amount equal to any unexpended and unencumbered
17 balance remaining in the general fund of the district, except amounts
18 received by the district and authorized to be expended for the
19 purposes specified in K.S.A. 72-6430, and amendments thereto, ~~and~~ ;

20 (3) an amount equal to any unexpended and unencumbered
21 balances remaining in the program weighted funds of the district,
22 except any amount in the vocational education fund of the district if
23 the district is operating an area vocational school, ~~and~~ ;

24 (4) an amount equal to any remaining proceeds from taxes levied
25 under authority of K.S.A. 72-7056 and 72-7072, and amendments
26 thereto, prior to the repeal of such statutory sections, ~~and~~ ;

27 (5) an amount equal to the amount deposited in the general fund
28 in the current school year from amounts received in such year by the
29 district under the provisions of subsection (a) of K.S.A. 72-1046a, and
30 amendments thereto, ~~and~~ ;

31 (6) an amount equal to the amount deposited in the general fund
32 in the current school year from amounts received in such year by the
33 district pursuant to contracts made and entered into under authority
34 of K.S.A. 72-6757, and amendments thereto, ~~and~~ ;

35 (7) an amount equal to the amount credited to the general fund in
36 the current school year from amounts distributed in such year to the
37 district under the provisions of articles 17 and 34 of chapter 12 of
38 Kansas Statutes Annotated and under the provisions of articles 42 and 51
39 of chapter 79 of Kansas Statutes Annotated, and ;

40 (8) an amount equal to the amount of payments received by the
41 district under the provisions of K.S.A. 72-979, and amendments
42 thereto, ~~and~~ ;

43 (9) *an amount equal to the amount of payments received by the*

1 *district under the provisions of K.S.A. 72-998, and amendments thereto;*

2 (10) **an amount equal to the amount of a grant, if any, received by**
3 **the district under the provisions of K.S.A. 72-983, and amendments**
4 **thereto; ; and**

5 (11) **an amount equal to 70% of the federal impact aid of the**
6 **district.**

7 (d) **"Federal impact aid" means an amount equal to the federally**
8 **qualified percentage of the amount of moneys a district receives in the**
9 **current school year under the provisions of title I of public law 874**
10 **and congressional appropriations therefor, excluding amounts**
11 **received for assistance in cases of major disaster and amounts received**
12 **under the low-rent housing program. The amount of federal impact**
13 **aid defined herein as an amount equal to the federally qualified**
14 **percentage of the amount of moneys provided for the district under**
15 **title I of public law 874 shall be determined by the state board in**
16 **accordance with terms and conditions imposed under the provisions of**
17 **the public law and rules and regulations thereunder.**

18 **Sec. 3. K.S.A. 2011 Supp. 72-6415b is hereby amended to read as**
19 **follows: 72-6415b. School facilities weighting may be assigned to**
20 **enrollment of a district only if the district has adopted a local option**
21 **budget in an amount equal to at least ~~25%~~ 17% of the sum obtained by**
22 **adding the amount of the state financial aid ~~determined for~~ of the**
23 **district ~~in~~ and the amount of the local foundation budget for the current**
24 **school year. School facilities weighting may be assigned to enrollment**
25 **of the district only in the school year in which operation of a new**
26 **school facility is commenced and in the next succeeding school year.**

27 **Sec. 4. K.S.A. 2011 Supp. 72-6431 is hereby amended to read as**
28 **follows: 72-6431. (a) The board of each district shall levy an ad**
29 **valorem tax upon the taxable tangible property of the district in the**
30 **school years specified in subsection (b) for the purpose of:**

31 (1) **Financing the state-level foundation obligation. The state-level**
32 **foundation obligation shall be that portion of the district's general fund**
33 **budget which is not financed from any other source provided by law;**

34 (2) **paying a portion of the costs of operating and maintaining**
35 **public schools in partial fulfillment of the constitutional obligation of**
36 **the legislature to finance the educational interests of the state; and**

37 (3) **with respect to any redevelopment district established prior to**
38 **July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,**
39 **paying a portion of the principal and interest on bonds issued by cities**
40 **under authority of K.S.A. 12-1774, and amendments thereto, for the**
41 **financing of redevelopment projects upon property located within the**
42 **district.**

43 (b) **The tax required under subsection (a) shall be levied at a rate**

1 of 20 mills in the school year 2011-2012 and school year 2012-2013.

2 (c) The proceeds from the tax levied by a district under authority
3 of this section, except the proceeds of such tax levied for the purpose
4 of paying a portion of the principal and interest on bonds issued by
5 cities under authority of K.S.A. 12-1774, and amendments thereto, for
6 the financing of redevelopment projects upon property located within
7 the district, shall be deposited in the general fund of the district.

8 (d) On June 6 of each year, the amount, if any, by which a
9 district's local effort exceeds the amount of the district's state financial
10 aid, as determined by the state board, shall be remitted to the state
11 treasurer. Upon receipt of any such remittance, the state treasurer
12 shall deposit the same in the state treasury to the credit of the state
13 school district finance fund.

14 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or
15 79-1964b, and amendments thereto.

16 Sec. 5. K.S.A. 2011 Supp. 72-6433 is hereby amended to read as
17 follows: 72-6433. (a) As used in this section:

18 (1) "State prescribed percentage" means ~~31% 18% of state~~
19 ~~financial aid of the district in the current school year.~~ *the foundation*
20 *funding.*

21 (2) "Authorized to adopt a local option budget" means that a
22 district has adopted a resolution under this section, has published the
23 same, and either the resolution was not protested or it was protested
24 and an election was held by which the adoption of a local option
25 budget was approved.

26 (3) "Foundation funding" means the sum obtained by adding the
27 amount of the state-level foundation obligation and the local foundation
28 budget.

29 (b) In each school year, the board of any district may adopt a
30 local option budget which does not exceed the state prescribed
31 percentage.

32 (c) Subject to the limitation of subsection (b), in each school year,
33 the board of any district may adopt, by resolution, a local option
34 budget in an amount not to exceed:

35 (1) (A) The amount which the board was authorized to adopt in
36 accordance with the provisions of this section in effect prior to its
37 amendment by this act; plus

38 (B) the amount which the board was authorized to adopt
39 pursuant to any resolution currently in effect; plus

40 (C) the amount which the board was authorized to adopt
41 pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to
42 the district; or

43 (2) the state-wide average for the preceding school year as

1 determined by the state board pursuant to subsection (j).

2 Except as provided by subsection (e), the adoption of a resolution
3 pursuant to this subsection shall require a majority vote of the
4 members of the board. Such resolution shall be effective upon
5 adoption and shall require no other procedure, authorization or
6 approval.

7 (d) If the board of a district desires to increase its local option
8 budget authority above the amount authorized under subsection (c) or
9 if the board was not authorized to adopt a local option budget in 2006-
10 2007, the board may adopt, by resolution, such budget in an amount
11 not to exceed the state prescribed percentage. The adoption of a
12 resolution pursuant to this subsection shall require a majority vote of
13 the members of the board. The resolution shall be published at least
14 once in a newspaper having general circulation in the district. The
15 resolution shall be published in substantial compliance with the
16 following form:

17 Unified School District No. _____,

18 _____ County, Kansas.

19 RESOLUTION

20 Be It Resolved that:

21 The board of education of the above-named school district shall be
22 authorized to adopt a local option budget in each school year in an
23 amount not to exceed ____% of the ~~amount of state financial aid-~~
24 *foundation funding*. The local option budget authorized by this
25 resolution may be adopted, unless a petition in opposition to the same,
26 signed by not less than 5% of the qualified electors of the school
27 district, is filed with the county election officer of the home county of
28 the school district within 30 days after publication of this resolution. If
29 a petition is filed, the county election officer shall submit the question
30 of whether adoption of the local option budget shall be authorized to
31 the electors of the school district at an election called for the purpose
32 or at the next general election, as is specified by the board of education
33 of the school district.

34 CERTIFICATE

35 This is to certify that the above resolution was duly adopted by the
36 board of education of unified School District No. _____,
37 _____ County, Kansas, on the ____ day of _____, ____.

38 _____
39 Clerk of the board of education.

40 All of the blanks in the resolution shall be filled as is appropriate. If
41 a sufficient petition is not filed, the board may adopt a local option
42 budget. If a sufficient petition is filed, the board may notify the county
43 election officer of the date of an election to be held to submit the

1 question of whether adoption of a local option budget shall be
2 authorized. Any such election shall be noticed, called and held in the
3 manner provided by K.S.A. 10-120, and amendments thereto. If the
4 board fails to notify the county election officer within 30 days after a
5 sufficient petition is filed, the resolution shall be deemed abandoned
6 and no like resolution shall be adopted by the board within the nine
7 months following publication of the resolution.

8 (e) (1) Any resolution authorizing the adoption of a local option
9 budget in excess of ~~30%~~ 17% of the ~~state financial aid of the district in~~
10 ~~the current school year~~ *foundation funding* shall not become effective
11 unless such resolution has been submitted to and approved by a
12 majority of the qualified electors of the school district voting at an
13 election called and held thereon. The election shall be called and held
14 in the manner provided by K.S.A. 10-120, and amendments thereto.

15 (2) *If a school district adopted a resolution authorizing the adoption*
16 *of a local option budget in excess of 30% of the state financial aid, as that*
17 *term was defined prior to the effective date of this act, of the district and*
18 *such resolution was submitted to and approved by a majority of the*
19 *qualified electors of the district voting at an election called and held*
20 *thereon prior to the effective date of this act, such district may adopt a*
21 *local option budget in excess of the amount provided by paragraph (1) of*
22 *this subsection without submitting the resolution to an election. In no case*
23 *shall the district adopt a resolution authorizing the adoption of a local*
24 *option budget in excess of 18% of the foundation funding.*

25 (f) Unless specifically stated otherwise in the resolution, the
26 authority to adopt a local option budget shall be continuous and
27 permanent. The board of any district which is authorized to adopt a
28 local option budget may choose not to adopt such a budget or may
29 adopt a budget in an amount less than the amount authorized. If the
30 board of any district whose authority to adopt a local option budget is
31 not continuous and permanent refrains from adopting a local option
32 budget, the authority of such district to adopt a local option budget
33 shall not be extended by such refrainment beyond the period specified
34 in the resolution authorizing adoption of such budget.

35 (g) The board of any district may initiate procedures to renew or
36 increase the authority to adopt a local option budget at any time
37 during a school year after the tax levied pursuant to K.S.A. 72-6435,
38 and amendments thereto, is certified to the county clerk under any
39 existing authorization.

40 (h) The board of any district that is authorized to adopt a local
41 option budget prior to the effective date of this act under a resolution
42 which authorized the adoption of such budget in accordance with the
43 provisions of this section in effect prior to its amendment by this act

1 may continue to operate under such resolution for the period of time
2 specified in the resolution or may abandon the resolution and operate
3 under the provisions of this section as amended by this act. Any such
4 district shall operate under the provisions of this section as amended
5 by this act after the period of time specified in the resolution has
6 expired.

7 (i) Any resolution adopted pursuant to this section may revoke or
8 repeal any resolution previously adopted by the board. If the
9 resolution does not revoke or repeal previously adopted resolutions, all
10 resolutions which are in effect shall expire on the same date. The
11 maximum amount of the local option budget of a school district under
12 all resolutions in effect shall not exceed the state prescribed
13 percentage in any school year.

14 (j) (1) There is hereby established in every district that adopts a
15 local option budget a fund which shall be called the supplemental
16 general fund. The fund shall consist of all amounts deposited therein
17 or credited thereto according to law.

18 (2) Subject to the limitation imposed under paragraph (3) and
19 subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in
20 the supplemental general fund may be expended for any purpose for
21 which expenditures from the general fund are authorized or may be
22 transferred to any program weighted fund or categorical fund of the
23 district. Amounts in the supplemental general fund attributable to any
24 percentage over ~~25%~~ 17% of state financial aid determined for the current
25 school year *the foundation funding* may be transferred to the capital
26 improvements fund of the district and the capital outlay fund of the
27 district if such transfers are specified in the resolution authorizing the
28 adoption of a local option budget in excess of ~~25%~~ 17%.

29 (3) Amounts in the supplemental general fund may not be
30 expended for the purpose of making payments under any lease-
31 purchase agreement involving the acquisition of land or buildings
32 which is entered into pursuant to the provisions of K.S.A. 72-8225,
33 and amendments thereto.

34 (4) (A) Except as provided in paragraph (B), any unexpended
35 budget remaining in the supplemental general fund of a district at the
36 conclusion of any school year in which a local option budget is adopted
37 shall be maintained in such fund.

38 (B) If the district received supplemental general state aid in the
39 school year, the state board shall determine the ratio of the amount of
40 supplemental general state aid received to the amount of the local
41 option budget of the district for the school year and multiply the total
42 amount of the unexpended budget remaining by such ratio. An
43 amount equal to the amount of the product shall be transferred to the

1 general fund of the district or remitted to the state treasurer. Upon
2 receipt of any such remittance, the state treasurer shall deposit the
3 same in the state treasury to the credit of the state school district
4 finance fund.

5 (k) Each year the state board of education shall determine the
6 statewide average percentage of local option budgets legally adopted
7 by school districts for the preceding school year.

8 (l) *In school year 2011-2012, a school district may adopt a local*
9 *option budget in an amount equal to the amount of the local option budget*
10 *the district was authorized to adopt in school year 2010-2011 less an*
11 *amount equal to the local foundation budget of the school district. To the*
12 *extent the provisions of this subsection conflict with any other provisions*
13 *of this section, this subsection shall control.*

14 (⊕) (m) **The provisions of this section shall be subject to the**
15 **provisions of K.S.A. 2011 Supp. 72-6433d, and amendments thereto.**

16 ~~Section 1.~~ **Sec. 6.** K.S.A. 2011 Supp. 72-6433d is hereby amended to
17 read as follows: 72-6433d. (a) (1) The provisions of this subsection shall
18 apply in any school year in which the amount of base state aid per pupil is
19 \$4,433 or less.

20 (2) The board of any school district may adopt a local option budget
21 which does not exceed the local option budget calculated as if the base
22 state aid per pupil was \$4,433, or which does not exceed ~~an amount as~~
23 ~~authorized by the local option budget as calculated pursuant to K.S.A. 72-~~
24 ~~6433, and amendments thereto, whichever is greater.~~

25 (b) ~~(1) The provisions of this subsection shall apply in any school~~
26 ~~year in which the amount appropriated for state aid for special education~~
27 ~~and related services is less than the amount appropriated for state aid for~~
28 ~~special education and related services in school year 2008-2009.~~

29 (⊖) The board of education of any school district may adopt a local
30 option budget which does not exceed the local option budget calculated as
31 if the district received state aid for special education and related services
32 equal to the amount of state aid for special education and related services
33 received in school year 2008-2009, or which does not exceed ~~an amount as~~
34 ~~authorized by the local option budget as calculated pursuant to K.S.A. 72-~~
35 ~~6433, and amendments thereto, whichever is greater.~~

36 (c) The board of education of any school district may exercise the
37 authority granted under subsection (a) or (b) or both subsections (a) and
38 (b).

39 (d) To the extent that the provisions of K.S.A. 72-6433, and
40 amendments thereto, conflict with this section, this section shall control.

41 (e) The provisions of this section shall expire on June 30, 2014.

42 **Sec. 7.** K.S.A. 2011 Supp. 72-6435 is hereby amended to read as
43 follows: 72-6435. (a) In each school year, the board of every district

1 that has adopted a local option budget may levy an ad valorem tax on
2 the taxable tangible property of the district for the purpose of: (1)
3 Financing that portion of the district's local option budget which is not
4 financed from any other source provided by law; (2) *financing that*
5 *portion of the district's local foundation budget which is not financed from*
6 *any other source provided by law;* (3) paying a portion of the principal
7 and interest on bonds issued by cities under authority of K.S.A. 12-
8 1774, and amendments thereto, for the financing of redevelopment
9 projects upon property located within the district; and ~~(3)-(4)~~ funding
10 transfers to the capital improvement fund of the district and the
11 capital outlay fund of the district if such transfers are specified in the
12 resolution authorizing the adoption of a local option budget in excess
13 of ~~25%~~ 17% of state financial aid determined for the current school year.
14 *the foundation funding.*

15 (b) The proceeds from the tax levied by a district under authority
16 of this section, except the proceeds of such tax levied for the purpose
17 of paying a portion of the principal and interest on bonds issued by
18 cities under authority of K.S.A. 12-1774, and amendments thereto, for
19 the financing of redevelopment projects upon property located within
20 the district, shall be deposited in the supplemental general fund of the
21 district.

22 (c) *In the school years specified in K.S.A. 72-6431, and amendments*
23 *thereto, upon deposit of the proceeds from the tax levied pursuant to this*
24 *section in the supplemental general fund, an amount equal to the local*
25 *foundation budget, as established in section 1, and amendments thereto,*
26 *shall be transferred to the general fund of the district. Such transfer shall*
27 *be deemed a reimbursement of general operating expenses.*

28 (d) No district shall proceed under K.S.A. 79-1964, 79-1964a or
29 79-1964b, and amendments to such sections.

30 Sec. 8. K.S.A. 2011 Supp. 72-6449 is hereby amended to read as
31 follows: 72-6449. (a) As used in this section, "school district" or
32 "district" means a school district authorized to make a levy under this
33 section.

34 (b) The board of education of any district may levy a tax on the
35 taxable tangible property within the district for the purpose of
36 financing the costs incurred by the state that are attributable directly
37 to assignment of the cost of living weighting to the enrollment of the
38 district. There is hereby established in every school district a fund
39 which shall be called the cost of living fund, which fund shall consist of
40 all moneys deposited therein or transferred thereto in accordance with
41 law. All moneys derived from a tax imposed pursuant to this section
42 shall be credited to the cost of living fund. The proceeds from the tax
43 levied by a district credited to the cost of living fund shall be remitted

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

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

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

10 (2) multiply the amount determined under *paragraph* (1) by 1.25;

11 (3) determine the average appraised value of single family
 12 residences in each school district for the calendar year preceding the
 13 current school year; and

14 (4) (A) subtract the amount determined under *paragraph* (2) from
 15 the amount determined under (3). If the amount determined for the district
 16 under this paragraph is a positive number and the district is authorized to
 17 adopt and has adopted a local option budget in an amount equal to at least
 18 ~~34%~~18% of the ~~state financial aid for the school district~~ *foundation*
 19 *funding*, the district qualifies for assignment of cost of living weighting
 20 and may levy a tax on the taxable tangible property of the district for the
 21 purpose of financing the costs that are attributable directly to assignment
 22 of the cost of living weighting to enrollment of the district; or

23 (B) as an alternative to the authority provided in *paragraph* (4)
 24 (A), if a district was authorized to make a levy pursuant to this section
 25 in school year 2006-2007, such district shall remain authorized to levy
 26 such tax at a rate necessary to generate revenue in the same amount
 27 generated in school year 2006-2007 if: (i) The amount determined
 28 under *paragraph* (4)(A) is a positive number; and (ii) the district
 29 continues to adopt a local option budget in an amount equal to ~~the~~
 30 ~~state prescribed percentage in effect in school year 2006-2007~~ 17% of the
 31 *foundation funding*.

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

38 Unified School District No. _____,
 39 _____ County, Kansas.

40 RESOLUTION

41 Be It Resolved that:

42 The board of education of the above-named school district shall be
 43 authorized to levy an ad valorem tax in an amount not to exceed the

1 amount necessary to finance the costs attributable directly to the
 2 assignment of cost of living weighting to the enrollment of the district.
 3 The ad valorem tax authorized by this resolution may be levied unless
 4 a petition in opposition to the same, signed by not less than 5% of the
 5 qualified electors of the school district, is filed with the county election
 6 officer of the home county of the school district within 30 days after
 7 the publication of this resolution. If a petition is filed, the county
 8 election officer shall submit the question of whether the levy of such a
 9 tax shall be authorized in accordance with the provisions of this
 10 resolution to the electors of the school district at the next general
 11 election of the school district, as is specified by the board of education
 12 of the school district.

13 **CERTIFICATE**

14 This is to certify that the above resolution was duly adopted by the
 15 board of education of Unified School District No. _____,
 16 _____ County, Kansas, on the ____ day of _____,
 17 (year)____.

18 _____
 19 Clerk of the board of education.

20 All of the blanks in the resolution shall be filled. If no petition as
 21 specified above is filed in accordance with the provisions of the
 22 resolution, the resolution authorizing the ad valorem tax levy shall
 23 become effective. If a petition is filed as provided in the resolution, the
 24 board may notify the county election officer to submit the question of
 25 whether such tax levy shall be authorized. If the board fails to notify
 26 the county election officer within 30 days after a petition is filed, the
 27 resolution shall be deemed abandoned and of no force and effect and
 28 no like resolution shall be adopted by the board within the nine
 29 months following publication of the resolution. If a majority of the
 30 votes cast in an election conducted pursuant to this provision are in
 31 favor of the resolution, such resolution shall be effective on the date of
 32 such election. If a majority of the votes cast are not in favor of the
 33 resolution, the resolution shall be deemed of no effect and no like
 34 resolution shall be adopted by the board within the nine months
 35 following such election.

36 (e) In determining the amount produced by the tax levied by the
 37 district under the authority of this section, the state board shall
 38 include any moneys which have been apportioned to the cost of living
 39 fund of the district from taxes levied under the provisions of K.S.A.
 40 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

41 Sec. 9. K.S.A. 2011 Supp. 72-6451 is hereby amended to read as
 42 follows: 72-6451. (a) As used in this section:

43 (1) "School district" or "district" means a school district which:

1 (A) Has a declining enrollment; and (B) has adopted a local option
2 budget in an amount which equals at least ~~31%~~18% of the state-
3 ~~financial aid for the school district~~ *foundation funding* at the time the
4 district applies to the state court of tax appeals for authority to make a levy
5 pursuant to this section.

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

8 (b) (1) (A) A school district may levy an ad valorem tax on the
9 taxable tangible property of the district each year for a period of time
10 not to exceed two years in an amount not to exceed the amount
11 authorized by the state court of tax appeals under this subsection for
12 the purpose of financing the costs incurred by the state that are
13 directly attributable to assignment of declining enrollment weighting
14 to enrollment of the district. The state court of tax appeals may
15 authorize the district to make a levy which will produce an amount
16 that is not greater than the amount of revenues lost as a result of the
17 declining enrollment of the district. Such amount shall not exceed 5%
18 of the general fund budget of the district in the school year in which
19 the district applies to the state court of tax appeals for authority to
20 make a levy pursuant to this section.

21 (B) As an alternative to the authority provided in paragraph (1)
22 (A), if a district was authorized to make a levy pursuant to this section
23 in school year 2006-2007, such district shall remain authorized to
24 make a levy at a rate necessary to generate revenue in the same
25 amount that was generated in school year 2007-2008 if the district
26 adopts a local option budget in an amount equal to the state
27 prescribed percentage in effect in school year 2006-2007.

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

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

34 (c) A district may levy the tax authorized pursuant to this section
35 for a period of time not to exceed two years unless authority to make
36 such levy is renewed by the state court of tax appeals. The state court
37 of tax appeals may renew the authority to make such levy for periods
38 of time not to exceed two years.

39 (d) The state board shall provide to the state court of tax appeals
40 such school data and information requested by the state court of tax
41 appeals and any other information deemed necessary by the state
42 board.

43 (e) There is hereby established in every district a fund which shall

1 be called the declining enrollment fund. Such fund shall consist of all
2 moneys deposited therein or transferred thereto according to law. The
3 proceeds from the tax levied by a district under authority of this
4 section shall be credited to the declining enrollment fund of the
5 district. The proceeds from the tax levied by a district credited to the
6 declining enrollment fund shall be remitted to the state treasurer in
7 accordance with the provisions of K.S.A. 75-4215, and amendments
8 thereto. Upon receipt of each such remittance, the state treasurer shall
9 deposit the entire amount in the state treasury to the credit of the state
10 school district finance fund.

11 (f) In determining the amount produced by the tax levied by the
12 district under authority of this section, the state board shall include
13 any moneys which have been apportioned to the declining enrollment
14 fund of the district from taxes levied under the provisions of K.S.A.
15 79-5101 *et seq.* and 79-5118 *et seq.*, and amendments thereto.

16 Sec. ~~2~~ 10. K.S.A. 2011 Supp. ~~72-6433d is~~ 72-6410, 72-6415b, 72-6433,
17 72-6433d, 72-6435, 72-6449, 72-6451 and 72-6442b are hereby repealed.

18 Sec. ~~3~~ 11. This act shall take effect and be in force from and after its
19 publication in the statute book.

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