AN ACT concerning personal property taxation; relating to motor vehicles; computation of amount of tax; local ad valorem tax reduction fund, distribution; amending K.S.A. 79-5105 and K.S.A. 2011 Supp. 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. 79-2959 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 amendments 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; and 2012, and 2013, and (2) the amount of the transfer on each such date shall be $13,500,000 $3,500,000 during fiscal year 2014, $20,250,000 $15,000,000 during fiscal year 2015, and $27,000,000 $25,000,000 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.

Section 1. [Sec. 2.] K.S.A. 79-5105 is hereby amended to read as follows: 79-5105. (a) (1) Except as provided in subsection (a)(2), a tax is hereby levied upon every motor vehicle, as the same is defined by K.S.A. 79-5101, and amendments thereto, in an amount which shall be determined in the manner hereinafter prescribed, except that: (A) (i) For 1995, the tax on any motorcycle shall not be less than $6 and the tax on any other motor vehicle shall not be less than $12; and (B) (ii) the tax on each motor vehicle the age of which is 15 years or older shall not be more than $12; and (2) (B) for 1996, and each year thereafter: (A)(i) The tax on any motorcycle shall not be less than $12 and the tax on any other motor vehicle shall not be less than $24, except as otherwise provided by clause subsections (a)(1)(B) and (a)(1)(C), (B)(a)(1)(B)(ii) and (a)(1)(B)(iii); (ii) the tax on any motorcycle the model year of which is 1980 or earlier shall be $6 and the tax on any other motor vehicle the model year of which is 1980 or earlier shall be $12; and (C)(iii) if the tax on any motorcycle in 1995 was more than $6 but less than $12, the tax shall be determined for 1996 and each year thereafter in the manner hereinafter prescribed but shall not be less than $12.

(2) Commencing in 2013, and each year thereafter, the tax on any motorcycle shall not be less than $18 and the tax on any other motor vehicle shall not be less than $36, unless in 2012 such tax was already less than such minimum tax, and in any such case the provisions of subsection (a)(1) shall remain applicable to any such motorcycle or other motor vehicle.

(b) The amount of such tax on a motor vehicle shall be computed by:

(1) By determining the amount representing the midpoint of the values included within the class in which such motor vehicle is classified under K.S.A. 79-5102 or 79-5103, and amendments thereto, except that the midpoint of class 20 shall be $21,000 plus $2,000 for each $2,000 or portion thereof by which the trade-in value of the vehicle exceeds $22,000; (2) if the model year of the motor vehicle is a year other than the year for which the tax is levied, by reducing such midpoint amount by an amount
equal to 16% in 1995, and all years prior thereto, and 15% in 1996, 2012, and all years thereafter, and for vehicles first registered and commencing in 2013 and each year thereafter; and 15% for the first five years of a vehicle, 12% for years six through ten, and 10% for all years thereafter, of the remaining balance for each year of difference between the model year of the motor vehicle and the year for which the tax is levied if the model year of the motor vehicle is 1981 or a later year; or (B) the remaining balance for each year of difference between the year 1980 and the year for which the tax is levied if the model year of the motor vehicle is 1980 or any year prior thereto; (3) by multiplying the amount determined after application of clause subsection (b)(2) above by 30% during calendar year 1995, 28.5% during the calendar year 1996, 26.5% during the calendar year 1997, 24.5% during the calendar year 1998, 22.5% during the calendar year 1999, and 20% during calendar year 2012, 18% during calendar year 2013, 16% during calendar year 2014, 14% during calendar year 2015 and 12% during calendar year 2016, and all calendar years thereafter, which shall constitute the taxable value of the motor vehicle; and (4) by multiplying the taxable value of the motor vehicle produced under clause subsection (b)(3) above by the county average tax rate.

(c) The "county average tax rate" means the total amount of general property taxes levied within the county by the state, county and all other taxing subdivisions levying such taxes within such county in the second calendar year before the calendar year in which the owner's full registration year begins divided by the total assessed tangible valuation of property within such county as of November 1 of such second calendar year before the calendar year in which the owner's full registration year begins as certified by the secretary of revenue, except that: (1) As of November 1, 1994, such rate shall be computed without regard to 11.429% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; (2) as of November 1, 1995, such rate shall be computed without regard to 31.429% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; (3) as of November 1, 1996, such rate shall be computed without regard to 54.286% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; (4) as of November 1, 1997, such rate shall be computed without regard to 70.36% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; and (5) as of November 1, 1998, and such date in all years thereafter, such rate shall be computed without regard to the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto. As of November 1, 2011, such rate shall be computed without regard to the general property taxes levied by school
districts pursuant to K.S.A. 72-6431, and amendments thereto; (2) as of November 1, 2012, such rate shall be computed with regard to 25% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; (3) as of November 1, 2013, such rate shall be computed with regard to 50% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; (4) as of November 1, 2014, such rate shall be computed with regard to 75% of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto; and (5) as of November 1, 2015, such rate shall be computed with regard to all of the general property taxes levied by school districts pursuant to K.S.A. 72-6431, and amendments thereto.

Sec. 2. K.S.A. 79-5105 is hereby repealed.

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