A PROPOSITION to amend article 11 of the constitution of the state of Kansas by adding a new section thereto, concerning a contingency reserve fund in the state treasury.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the Senate and two-thirds of the members elected (or appointed) and qualified to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Article 11 of the constitution of the state of Kansas is hereby amended by adding a new section to read as follows:


(a) On July 1, 2013, a contingency reserve fund shall be established and maintained in the state treasury.

(b) When state tax receipts for a fiscal year increase by more than three percent over state tax receipts for the preceding fiscal year, any increase in excess of three percent up to the next one percent of state tax receipts collected shall be deposited in the contingency reserve fund. Nothing in this subsection shall require state tax receipts to be deposited in the contingency reserve fund when the contingency reserve fund balance exceeds fifteen percent of the preceding fiscal year's state tax receipts.

(c) The legislature may provide, by law, for additional amounts of state tax receipts to be deposited in the contingency reserve fund.

(d) (1) Withdrawals from the contingency reserve fund may occur in the current fiscal year only when the current fiscal year's estimated state tax receipts are less than the amount of actual state tax receipts collected or otherwise received in the preceding fiscal year. The amount subject to withdrawal shall not exceed the difference between the current fiscal year's estimated state tax
receipts and the amount of actual state tax receipts collected or otherwise received in the preceding fiscal year except that such difference shall be reduced by the amount of the current fiscal year's estimated state tax receipts not collected or otherwise received as a result of any kind of tax reduction legislation enacted by the legislature and approved by the governor in the current or preceding fiscal year.

"(2) Withdrawals from the contingency reserve fund may occur in the ensuing fiscal year only when the ensuing fiscal year's estimated state tax receipts are less than the amount of estimated state receipts in the current fiscal year. The amount subject to withdrawal shall not exceed the difference between the ensuing fiscal year's estimated state tax receipts and the amount of estimated state tax receipts in the current fiscal year except that such difference shall be reduced by the amount of the ensuing fiscal year's estimated state tax receipts not collected or otherwise received as a result of any kind of tax reduction legislation enacted by the legislature and approved by the governor in the current or preceding fiscal year.

"(3) For the purposes of subsections (d)(1) and (d)(2), the attorney general shall be responsible for certifying whether any kind of tax reduction legislation was enacted by the legislature and approved by the governor and if so, the governor shall certify the amount of such reduction. Any withdrawal authorized by this subsection shall be provided for by law enacted in a separate bill that does not include any other matter except a statement that the conditions prescribed by this subsection exist and the authority to transfer a specific amount of money from the contingency reserve fund to the state general fund.

"(e) Amounts in the contingency reserve fund may be invested as provided by law and the earnings thereon shall be retained in the contingency reserve fund.

"(f) As used in this section, "state tax receipts" means receipts from any state income tax, sales tax, compensating use tax or other excise tax or tax in the nature of an excise tax, or estate or inheritance tax, or tax in the nature of an estate or inheritance tax, but shall not include receipts from any property tax, or tax in the nature of a property tax, or any tax on motor fuels.

"(g) The legislature may enact laws to carry out the purposes of this section."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

“Explanatory statement. The purpose of this amendment is to
establish a contingency reserve fund in the state treasury.

“A vote for this amendment will:

(1) Establish a contingency reserve fund in the state treasury. Each year, if state tax receipts increase by more than three percent over the amount of the preceding year, a portion of the increase would be deposited in the contingency reserve fund. Additional amounts could be deposited in this fund by act of the legislature.

(2) Provide that amounts could be withdrawn from the contingency reserve fund when state tax receipts are less than the amount for the preceding year, other than amounts resulting from any tax reduction legislation.

(3) Provide that any withdrawal from the fund must be a separate bill containing only a statement that the conditions exist for the withdrawal and the authority to withdraw and deposit in the state general fund.

“A vote against this amendment would make no changes in current law concerning the state's finance.”

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the Senate, and two-thirds of the members elected (or appointed) and qualified to the House of Representatives shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the general election in the year 2012 unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the electors of the state at the special election.