

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2212

As Amended by House Committee on Taxation

Brief*

HB 2212, as amended, would require a municipality to reduce its mill levy in the event of an increase in assessed valuation of property such that the total amount of *ad valorem* property taxes levied would not increase. New construction is excluded from the comparison of the current year to the year prior, as is property from newly added jurisdictional territory and property which has changed in use. Also excluded from the computation would be certain property taxes levied to pay principal and interest on bonds. Finally, the 21.5 mills in state property tax levies would be excluded.

In the event of a decrease in total taxable real property valuation in any municipality, the mill levy could still be raised by the municipality, subject to statutory restrictions.

The bill also would add community colleges and unified school districts to a law requiring other taxing subdivisions to adopt an "acknowledgment" resolution or ordinance when adopting budgets funded by revenues from increased property taxes.

Background

The bill was introduced by Representative Brunk and supported by the Kansas Association of Realtors. The House Taxation Committee amendments are technical.

The Department of Revenue indicated the bill would

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

have no impact on state revenues. The court of Tax Appeals indicated that the bill would not affect the number of property valuation appeals. The Kansas Association of Counties and the League of Kansas Municipalities indicated that the bill would limit expenditures for programs and services to the current level of property taxation unless a resolution or ordinance is passed approving an increase.