

SESSION OF 2013

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2047**

As Amended by House Committee of the Whole

**Brief\***

HB 2047, as amended, would prohibit most municipalities, absent a majority vote and publication of such vote in official county newspapers, from approving annual budgets or other appropriations funded by certain increases in property taxes over the prior year which are in excess of the rate of inflation. The provisions of the bill would not apply to those political subdivisions or taxing districts that receive \$1,000 or less in annual property tax receipts.

A second provision of the bill would require all other municipalities, in response to increases in total tangible property valuation, to reduce the amount of tax levied to the prior year's level, except for the inflation allowance; taxes levied on valuation added as a result of new construction; valuation added from property located within newly added jurisdictional territory; valuation added because property has changed in use; and valuation added from certain increased personal property. Also excluded from the computation would be property taxes that had been previously approved by voters; taxes levied to pay principal and interest on bonds; and taxes collected pursuant to the 21.5 mills in state property tax levies.

Municipalities subject to the requirements contained in the bill generally would be defined as all political subdivisions levying property taxes in excess of \$1,000, including counties, townships, municipal universities, school districts, community colleges, drainage districts, and other taxing units.

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\*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>

## **Background**

Representative Steve Brunk appeared as the principal proponent to the bill at the House Committee hearing.

The House Taxation Committee amendment to the bill is technical.

The House Committee of the Whole, on March 20, made several technical amendments; added the provision excluding local units receiving less than \$1,000 from the provisions of the bill; and added a provision allowing taxes to grow by the rate of inflation prior to having any of the other requirements triggered.

A fiscal note provided by the Division of the Budget on the original bill indicates the legislation would not be expected to have any fiscal impact for the State.