

**SENATE BILL No. 235**

By Committee on Assessment and Taxation

3-21

1 AN ACT concerning education; relating to the statewide levy; homestead  
2 exemption; capital improvement state aid demand transfer; amending  
3 K.S.A. 72-5142 and 72-5462 and K.S.A. 2018 Supp. 79-201x and  
4 repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 72-5142 is hereby amended to read as follows: 72-  
8 5142. (a) The board of education of each school district shall levy an ad  
9 valorem tax upon the taxable tangible property of the school district in the  
10 school years specified in subsection (b) for the purpose of:

11 (1) Financing that portion of the school district's general fund budget  
12 that is not financed from any other source provided by law;

13 (2) paying a portion of the costs of operating and maintaining public  
14 schools in partial fulfillment of the constitutional obligation of the  
15 legislature to finance the educational interests of the state; and

16 (3) with respect to any redevelopment school district established prior  
17 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,  
18 paying a portion of the principal and interest on bonds issued by cities  
19 under authority of K.S.A. 12-1774, and amendments thereto, for the  
20 financing of redevelopment projects upon property located within the  
21 school district.

22 (b) The tax required under subsection (a) shall be levied at a rate of  
23 20 mills in the school years ~~2017-2018~~ 2019-2020 and ~~2018-2019~~ 2020-  
24 2021.

25 (c) The proceeds from the tax levied by a district under authority of  
26 this section, except the proceeds of such tax levied for the purpose  
27 described in subsection (a)(3), shall be remitted to the state treasurer in  
28 accordance with the provisions of K.S.A. 75-4215, and amendments  
29 thereto. Upon receipt of each such remittance, the state treasurer shall  
30 deposit the entire amount in the state treasury to the credit of the state  
31 school district finance fund.

32 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a  
33 or 79-1964b, and amendments thereto.

34 Sec. 2. K.S.A. 72-5462 is hereby amended to read as follows: 72-  
35 5462. (a) There is hereby established in the state treasury the school  
36 district capital improvements fund. The fund shall consist of all amounts

1 transferred thereto under the provisions of subsection (c).

2 (b) In each school year, each school district which is obligated to  
3 make payments from its capital improvements fund shall be entitled to  
4 receive payment from the school district capital improvements fund in an  
5 amount determined by the state board of education as provided in this  
6 subsection.

7 (1) For general obligation bonds approved for issuance at an election  
8 held prior to July 1, 2015, the state board of education shall:

9 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
10 of each school district in the state for the preceding school year and round  
11 such amount to the nearest \$1,000. The rounded amount is the AVPP of a  
12 school district for the purposes of this subsection (b)(1);

13 (B) determine the median AVPP of all school districts;

14 (C) prepare a schedule of dollar amounts using the amount of the  
15 median AVPP of all school districts as the point of beginning. The  
16 schedule of dollar amounts shall range upward in equal \$1,000 intervals  
17 from the point of beginning to and including an amount that is equal to the  
18 amount of the AVPP of the school district with the highest AVPP of all  
19 school districts and shall range downward in equal \$1,000 intervals from  
20 the point of beginning to and including an amount that is equal to the  
21 amount of the AVPP of the school district with the lowest AVPP of all  
22 school districts;

23 (D) determine a state aid percentage factor for each school district by  
24 assigning a state aid computation percentage to the amount of the median  
25 AVPP shown on the schedule, decreasing the state aid computation  
26 percentage assigned to the amount of the median AVPP by one percentage  
27 point for each \$1,000 interval above the amount of the median AVPP, and  
28 increasing the state aid computation percentage assigned to the amount of  
29 the median AVPP by one percentage point for each \$1,000 interval below  
30 the amount of the median AVPP. Except as provided by K.S.A. 72-5463,  
31 and amendments thereto, the state aid percentage factor of a school district  
32 is the percentage assigned to the schedule amount that is equal to the  
33 amount of the AVPP of the school district. The state aid percentage factor  
34 of a school district shall not exceed 100%. The state aid computation  
35 percentage is 25%;

36 (E) determine the amount of payments that a school district is  
37 obligated to make from its bond and interest fund attributable to general  
38 obligation bonds approved for issuance at an election held prior to July 1,  
39 2015; and

40 (F) multiply the amount determined under subsection (b)(1)(E) by the  
41 applicable state aid percentage factor.

42 (2) For general obligation bonds approved for issuance at an election  
43 held on or after July 1, 2015, the state board of education shall:

1 (A) Determine the amount of the AVPP of each school district in the  
2 state for the preceding school year and round such amount to the nearest  
3 \$1,000. The rounded amount is the AVPP of a school district for the  
4 purposes of this subsection (b)(2);

5 (B) prepare a schedule of dollar amounts using the amount of the  
6 AVPP of the school district with the lowest AVPP of all school districts as  
7 the point of beginning. The schedule of dollar amounts shall range upward  
8 in equal \$1,000 intervals from the point of beginning to and including an  
9 amount that is equal to the amount of the AVPP of the school district with  
10 the highest AVPP of all school districts;

11 (C) determine a state aid percentage factor for each school district by  
12 assigning a state aid computation percentage to the amount of the lowest  
13 AVPP shown on the schedule and decreasing the state aid computation  
14 percentage assigned to the amount of the lowest AVPP by one percentage  
15 point for each \$1,000 interval above the amount of the lowest AVPP.  
16 Except as provided by K.S.A. 72-5463, and amendments thereto, the state  
17 aid percentage factor of a school district is the percentage assigned to the  
18 schedule amount that is equal to the amount of the AVPP of the school  
19 district. The state aid computation percentage is 75%;

20 (D) determine the amount of payments that a school district is  
21 obligated to make from its bond and interest fund attributable to general  
22 obligation bonds approved for issuance at an election held on or after July  
23 1, 2015; and

24 (E) multiply the amount determined under subsection (b)(2)(D) by  
25 the applicable state aid percentage factor.

26 (3) For general obligation bonds approved for issuance at an election  
27 held on or before June 30, 2016, the sum of the amount determined under  
28 subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E)  
29 is the amount of payment the school district is entitled to receive from the  
30 school district capital improvements fund in the school year.

31 (4) For general obligation bonds approved for issuance at an election  
32 held on or after July 1, 2016, the amount determined under subsection (b)  
33 (2)(E) is the amount of payment the school district shall receive from the  
34 school district capital improvements fund in the school year, except the  
35 total amount of payments school districts receive from the school district  
36 capital improvements fund in the school year for such bonds shall not  
37 exceed the six-year average amount of capital improvement state aid as  
38 determined by the state board of education.

39 (A) The state board of education shall determine the six-year average  
40 amount of capital improvement state aid by calculating the average of the  
41 total amount of moneys expended per year from the school district capital  
42 improvements fund in the immediately preceding six fiscal years, not to  
43 include the current fiscal year.

1 (B) (i) Subject to clause (ii), the state board of education shall  
2 prioritize the allocations to school districts from the school district capital  
3 improvements fund in accordance with the priorities set forth as follows in  
4 order of highest priority to lowest priority:

5 (a) Safety of the current facility and disability access to such facility  
6 as demonstrated by a state fire marshal report, an inspection under the  
7 Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar  
8 evaluation;

9 (b) enrollment growth and imminent overcrowding as demonstrated  
10 by successive increases in enrollment of the school district in the  
11 immediately preceding three school years;

12 (c) impact on the delivery of educational services as demonstrated by  
13 restrictive inflexible design or limitations on installation of technology;  
14 and

15 (d) energy usage and other operational inefficiencies as demonstrated  
16 by a district-wide energy usage analysis, district-wide architectural  
17 analysis or other similar evaluation.

18 (ii) In allocating capital improvement state aid, the state board shall  
19 give higher priority to those school districts with a lower AVPP compared  
20 to the other school districts that are to receive capital improvement state  
21 aid under this section.

22 (C) On and after July 1, 2016, the state board of education shall  
23 approve the amount of state aid payments a school district shall receive  
24 from the school district capital improvements fund pursuant to subsection  
25 (b)(5) prior to an election to approve the issuance of general obligation  
26 bonds.

27 (5) Except as provided in subsections (b)(6) and (b)(7), the sum of the  
28 amounts determined under subsection (b)(3) and the amount determined or  
29 allocated to the district by the state board of education pursuant to  
30 subsection (b)(4), is the amount of payment the school district is entitled to  
31 receive from the school district capital improvements fund in the school  
32 year.

33 (6) A school district that had an enrollment of less than 260 students  
34 in the school year immediately preceding the school year in which an  
35 election is held to approve the issuance of general obligation bonds shall  
36 not be entitled to receive payments from the school district capital  
37 improvements fund unless such school district applied for and received  
38 approval from the state board of education to issue such bonds prior to  
39 holding an election to approve such bond issuance. The provisions of this  
40 paragraph shall apply to general obligation bonds approved for issuance at  
41 an election held on or after July 1, 2017, that are issued for the purpose of  
42 financing the construction of new school facilities.

43 (7) For general obligation bonds approved for issuance at an election

1 held on or after July 1, 2017, in determining the amount under subsection  
2 (b)(2)(D), the state board shall exclude payments for any capital  
3 improvement project, or portion thereof, that proposes to construct,  
4 reconstruct or remodel a facility that would be used primarily for  
5 extracurricular activities, unless the construction, reconstruction or  
6 remodeling of such facility is necessary due to concerns relating to the  
7 safety of the current facility or disability access to such facility as  
8 demonstrated by a state fire marshal report, an inspection under the  
9 Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar  
10 evaluation.

11 (c) The state board of education shall certify to the director of  
12 accounts and reports the entitlements of school districts determined under  
13 the provisions of subsection (b), and an amount equal thereto shall be  
14 transferred by the director from the state general fund to the school district  
15 capital improvements fund for distribution to school districts. All transfers  
16 made in accordance with the provisions of this subsection shall be  
17 considered to be demand transfers from the state general fund, except that  
18 all such transfers during the fiscal years ending June 30, ~~2017~~ 2020, June  
19 30, ~~2018~~ 2021, and June 30, ~~2019~~ 2022, shall be considered to be revenue  
20 transfers from the state general fund.

21 (d) Payments from the school district capital improvements fund shall  
22 be distributed to school districts at times determined by the state board of  
23 education to be necessary to assist school districts in making scheduled  
24 payments pursuant to contractual bond obligations. The state board of  
25 education shall certify to the director of accounts and reports the amount  
26 due each school district entitled to payment from the fund, and the director  
27 of accounts and reports shall draw a warrant on the state treasurer payable  
28 to the treasurer of the school district. Upon receipt of the warrant, the  
29 treasurer of the school district shall credit the amount thereof to the bond  
30 and interest fund of the school district to be used for the purposes of such  
31 fund.

32 (e) The provisions of this section apply only to contractual  
33 obligations incurred by school districts pursuant to general obligation  
34 bonds issued upon approval of a majority of the qualified electors of the  
35 school district voting at an election upon the question of the issuance of  
36 such bonds.

37 (f) On or before the first day of the legislative session in 2017, and  
38 each year thereafter, the state board of education shall prepare and submit  
39 a report to the legislature that includes information on school district  
40 elections held on or after July 1, 2016, to approve the issuance of general  
41 obligation bonds and the amount of payments school districts were  
42 approved to receive from the school district capital improvements fund  
43 pursuant to subsection (b)(4)(C).

1       Sec. 3. K.S.A. 2018 Supp. 79-201x is hereby amended to read as  
2 follows: 79-201x. For taxable years ~~2017~~ 2019 and ~~2018~~ 2020, the  
3 following described property, to the extent herein specified, shall be and is  
4 hereby exempt from the property tax levied pursuant to the provisions of  
5 K.S.A. 72-5142, and amendments thereto: Property used for residential  
6 purposes to the extent of \$20,000 of its appraised valuation.

7       Sec. 4. K.S.A. 72-5142 and 72-5462 and K.S.A. 2018 Supp. 79-201x  
8 are hereby repealed.

9       Sec. 5. This act shall take effect and be in force from and after its  
10 publication in the statute book.