

5
6 **SENATE BILL No. 22**

7
8 By Senator Buntен

9
10 1-15

11
12 AN ACT concerning school districts; relating to the capital outlay fund;
13 amending K.S.A. 72-8801 and ~~72-8804~~ and repealing the existing sec-
14 tions, **72-8804, 72-8805, 72-8808 and 72-8810 and repealing the**
15 **existing sections; also repealing K.S.A. 72-8807 and 72-8809.**

16
17 *Be it enacted by the Legislature of the State of Kansas:*

18 Section 1. ~~K.S.A. 72-8801 is hereby amended to read as follows: 72-~~
19 ~~8801. (a) The board of education of any school district may make an~~
20 ~~annual tax levy at a mill rate not to exceed the statutorily prescribed mill~~
21 ~~rate for a period of not to exceed five years upon the taxable tangible~~
22 ~~property in the school district for the purposes specified in this act K.S.A.~~
23 ~~72-8804, and amendments thereto, and for the purpose of paying a portion~~
24 ~~of the principal and interest on bonds issued by cities under the authority~~
25 ~~of K.S.A. 12-1774, and amendments thereto, for the financing of rede-~~
26 ~~velopment projects upon property located within the school district. No~~
27 ~~such levy shall be made under this act until a resolution is adopted by the~~
28 ~~board of education in the following form:~~

29 Unified School District No. _____,
30 _____ County, Kansas.

31 **RESOLUTION**

32 **Be It Resolved that:**

33 —The above-named school board shall be authorized to make an annual tax levy for a period
34 not to exceed _____ years in an amount not to exceed _____ mills upon the taxable
35 tangible property in the school district for the purpose of acquisition, construction, recon-
36 struction, repair, remodeling, additions to, furnishing and equipping of buildings necessary
37 for school district purposes, including housing and boarding pupils enrolled in an area vo-
38 cational school operated under the board, architectural expenses incidental thereto, the
39 acquisition of building sites, the undertaking and maintenance of asbestos control projects,
40 the acquisition of school buses and the acquisition of other equipment _____ and
41 for the purpose of paying a portion of the principal and interest on bonds issued by cities
42 under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of re-
43 development projects upon property located within the school district. The tax levy author-

1 terial, for any remodeling, renovation, replacement, rehabilitation or
2 other restoration necessitated by such removal or encapsulation, for con-
3 ducting inspections, reinspections and periodic surveillance of buildings,
4 performing response actions, and developing, implementing and updating
5 operations and maintenance programs and management plans;

6 —(4) “asbestos” means the asbestiform varieties of chrysotile (serpen-
7 tine), crocidolite (riebeckite), amosite (cummingtonitegrunerite), antho-
8 phyllite, tremolite, and actinolite, and

9 —(5) “asbestos-containing material” means any material or product
10 which contains more than 1% asbestos.

11 —Sec. 2. K.S.A. 72-8804 is hereby amended to read as follows: 72-
12 8804. *(a) If the resolution adopted under K.S.A. 72-8801, and amend-
13 ments thereto, so specified, any moneys in the capital outlay fund of any
14 school district and any moneys received from issuance of bonds under
15 K.S.A. 72-8805 or 72-8810, and amendments thereto, may be used for
16 the purpose of:*

17 —(1) ~~The acquisition, construction, reconstruction, repair, remodeling,
18 additions to, furnishing and equipping of buildings necessary for school
19 district purposes, including housing and boarding pupils enrolled in an
20 area vocational school operated under the board of education, and ar-
21 chitectural expenses incidental thereto,;~~

22 —(2) ~~The acquisition of building sites,;~~

23 —(3) ~~The undertaking and maintenance of asbestos control projects,;~~

24 —(4) ~~The acquisition of school buses and~~

25 —(5) ~~The acquisition of computers and computer software.~~

26 —(6) ~~The acquisition of other equipment.~~

27 —(b) ~~The board of education of any school district is hereby authorized
28 to may invest any portion of the capital outlay fund of the school district
29 which is not currently needed in investments authorized by K.S.A. 12-
30 1675, and amendments thereto, in the manner prescribed therein or may
31 invest the same in direct obligations of the United States government
32 maturing or redeemable at par and accrued interest within three years
33 from date of purchase, the principal and interest whereof is guaranteed
34 by the government of the United States. All interest received on any such
35 investment shall upon receipt thereof be credited to the capital outlay
36 fund.~~

37 —Sec. 3. K.S.A. 72-8801 and 72-8804 are hereby repealed.

38 **Section 1. K.S.A. 72-8801 is hereby amended to read as follows:**
39 **72-8801. (a) The board of education of any school district may make**
40 **an annual tax levy at a mill rate not to exceed the statutorily pre-**
41 **scribed mill rate for a period of not to exceed five years upon the taxable**
42 **tangible property in the school district for the purposes specified in this**
43 **act the purpose of providing revenue for the capital outlay fund to finance**

1 *expenditures authorized by K.S.A. 72-8804, and amendments thereto, and*
 2 *for the purpose of paying a portion of the principal and interest on*
 3 *bonds issued by cities under the authority of K.S.A. 12-1774, and*
 4 *amendments thereto, for the financing of redevelopment projects*
 5 *upon property located within the school district. No such levy shall*
 6 *be made under this act until a resolution is adopted by the board of*
 7 *education in the following form:*

8 *Unified School District No. _____,*

9 _____ *County, Kansas.*

10 **RESOLUTION**

11 **Be It Resolved that:**

12 *The above-named school board shall be authorized to make an annual tax levy for*
 13 *a period not to exceed _____ years in an amount not to exceed _____ mills upon the*
 14 *taxable tangible property in the school district for the purpose of acquisition, construc-*
 15 *tion, reconstruction, repair, remodeling, additions to, furnishing and equipping of buildings*
 16 *necessary for school district purposes, including housing and boarding pupils enrolled in an*
 17 *area vocational school operated under the board, architectural expenses incidental thereto,*
 18 *the acquisition of building sites, the undertaking and maintenance of asbestos control pro-*
 19 *jects, the acquisition of school buses and the acquisition of other equipment _____*
 20 *and for the purpose of paying a portion of the principal and interest on bonds issued*
 21 *by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the*
 22 *financing of redevelopment projects upon property located within the school district.*
 23 *The tax levy authorized by this resolution may be made; unless a petition in oppo-*
 24 *sition to the same, signed by not less than 10% of the qualified electors of the school*
 25 *district, is filed with the county election officer of the home county of the school*
 26 *district within 40 days after the last publication of this resolution. In the event if a*
 27 *valid petition is filed, the county election officer shall submit the question of whether*
 28 *the tax levy shall be authorized to the electors in the school district at an election*
 29 *called for the such purpose or at the next general election, as is specified by the board*
 30 *of education of the above school district.*

31 **CERTIFICATE**

32 *This is to certify that the above resolution was duly adopted by the board of*
 33 *education of Unified School District No. _____, _____ County, Kansas, on*
 34 *the _____ day of _____, 19 _____.*

35 _____
 36 *Clerk of the above board of education.*

37 *All of the blanks in the above resolution shall be appropriately*
 38 *filled. The blank preceding the word "years" shall be filled with a specific*
 39 *number, and the blank preceding the word "mills" shall be filled with a*
 40 *specific number, and no word shall be inserted in either of the blanks.*
 41 *The resolution shall be published at least once a week for two con-*
 42 *secutive weeks in a newspaper having general circulation in the*
 43 *school district. If no petition as specified above is filed in accord-*

1 *ance with the provisions of the resolution, the board of education*
2 *may make the tax levy specified in the resolution. If a valid petition*
3 *is filed as provided in the resolution, the board of education may*
4 *notify the county election officer of the date of an election to be*
5 *held to submit the question of whether the tax levy shall be author-*
6 *ized. If the board of education fails to notify the county election*
7 *officer within 60 days after a petition is filed, the resolution shall*
8 *be deemed abandoned and no like resolution shall be adopted by*
9 *the board of education within the nine months following the first*
10 *publication of the resolution.*

11 *(b) As used in this act K.S.A. 72-8801 et seq., and amendments*
12 *thereto:*

13 *(1) “Unconditionally authorized to make a capital outlay tax*
14 *levy” means that the school district has adopted a resolution under*
15 *this section, has published the same, and either that the resolution*
16 *was not protested or that it was protested and an election has been*
17 *held by which the tax levy specified in the resolution was approved;*

18 *(2) “Statutorily prescribed mill rate” means four mills or the*
19 *mill rate necessary to produce the same amount of money that*
20 *would have been produced by a levy of four mills in the 1988-89*
21 *school year; The provisions of this paragraph shall be subject to K.S.A.*
22 *2002 Supp. 79-5040, and amendments thereto.*

23 *(3) “Asbestos control project” means any activity which is nec-*
24 *essary or incidental to the control of asbestos-containing material*
25 *in buildings of school districts and includes, but not by way of lim-*
26 *itation, any activity undertaken for the removal or encapsulation*
27 *of asbestos-containing material, for any remodeling, renovation, re-*
28 *placement, rehabilitation or other restoration necessitated by such*
29 *removal or encapsulation, for conducting inspections, reinspections*
30 *and periodic surveillance of buildings, performing response actions,*
31 *and developing, implementing and updating operations and main-*
32 *tenance programs and management plans;*

33 *(4) “Asbestos” means the asbestiform varieties of chrysotile*
34 *(serpentine), crocidolite (riebeckite), amosite (cummingtonitegru-*
35 *nerite), anthophyllite, tremolite, and actinolite; and .*

36 *(5) “Asbestos-containing material” means any material or prod-*
37 *uct which contains more than 1% asbestos.*

38 *(6) “Utility services” means utility services provided to school facili-*
39 *ties including, but not limited to, gas, electric, water, telephone, sewage*
40 *and solid waste disposal.*

41 *(7) “Insurance” means property, fire, casualty and liability insurance.*

42 **Sec. 2. K.S.A. 72-8804 is hereby amended to read as follows:**
43 **72-8804. (a) If the resolution adopted under K.S.A. 72-8801, and amend-**

1 *ments thereto, so specified, any moneys in the capital outlay fund of*
 2 *any school district and any moneys received from issuance of bonds*
 3 *under K.S.A. 72-8805 or 72-8810, and amendments thereto, may be*
 4 *used for the purpose of:*

5 (1) *The acquisition, construction, reconstruction, repair, re-*
 6 *modeling, additions to, furnishing and equipping of buildings nec-*
 7 *essary for school district purposes, including housing and boarding*
 8 *pupils enrolled in an area vocational school operated under the*
 9 *board of education, and architectural expenses incidental thereto;*

10 (2) *The acquisition of building sites;*

11 (3) *The undertaking and maintenance of asbestos control pro-*
 12 *jects;*

13 (4) *The acquisition of school buses and*

14 (5) *The acquisition of computers, computer software and other tech-*
 15 *nology expenses.*

16 (6) *The acquisition of other equipment.*

17 (7) *Cost of utility services.*

18 (8) *Insurance premiums.*

19 *[(b) The authority to levy a tax or issue bonds pursuant to*
 20 *K.S.A. 72-8801 et seq., and amendments thereto, for the purposes*
 21 *specified in paragraphs (5), (7) and (8) of subsection (a) shall expire*
 22 *on June 30, 2006.]*

23 ~~*[(c) The board of education of any school district is hereby*~~
 24 ~~*authorized to may invest any portion of the capital outlay fund of the*~~
 25 ~~*school district which is not currently needed in investments au-*~~
 26 ~~*thorized by K.S.A. 12-1675, and amendments thereto, in the manner*~~
 27 ~~*prescribed therein or may invest the same in direct obligations of*~~
 28 ~~*the United States government maturing or redeemable at par and*~~
 29 ~~*accrued interest within three years from date of purchase, the prin-*~~
 30 ~~*cipal and interest whereof is guaranteed by the government of the*~~
 31 ~~*United States. All interest received on any such investment shall*~~
 32 ~~*upon receipt thereof be credited to the capital outlay fund.*~~

33 *Sec. 3. K.S.A. 72-8805 is hereby amended to read as follows:*
 34 *72-8805. Any school district which is unconditionally authorized to*
 35 *make a capital outlay tax levy, in lieu of making all or part of such*
 36 *tax levy, may issue and sell general obligation bonds as now pro-*
 37 *vided by law for the issuance of general obligation bonds for build-*
 38 *ings necessary for school district purposes, including housing and*
 39 *boarding pupils enrolled in an area vocational school operated un-*
 40 *der the board of education of the school district, except that such*
 41 ~~*bonds shall be issued to mature in not more than five years and except*~~
 42 ~~*that no election shall be required. In the event that If bonds are*~~
 43 ~~*issued under authority of this section, the amount of the bonds*~~

1 *which may be issued shall be determined as follows:*

2 (a) *Subject to the provisions of subsection (b), the amount of*
3 *the bonds shall not exceed the amount of the product which results*
4 *from multiplying the statutorily prescribed mill rate times five times*
5 *the assessed valuation of the taxable tangible property in the school*
6 *district at the time the bonds are issued, less the sum of all amounts*
7 *specified in subsections (c), (d) and (e) of this section.*

8 (b) *If the resolution adopted under K.S.A. 72-8801, and amend-*
9 *ments thereto, specified a lesser mill rate than the statutorily pre-*
10 *scribed mill rate or a lesser number of years than five, the respective*
11 *multipliers multiplier specified in subsection (a) of this section shall*
12 *be reduced accordingly.*

13 (c) *The amount of bonds shall be reduced by all amounts which*
14 *have been or will be received by the school district from any tax*
15 *levy made under authority of K.S.A. 72-8801, and amendments*
16 *thereto, before such bonds are issued.*

17 (d) *The amount of bonds shall be reduced by the estimated*
18 *amount of interest to be paid on the bonds.*

19 (e) *The amount of bonds shall be reduced by an amount equal*
20 *to the amount of unpaid principal on bonds which have theretofore*
21 *been issued under this section.*

22 **Sec. 4. K.S.A. 72-8808 is hereby amended to read as follows:**
23 **72-8808.** ~~Whenever an initial resolution has been adopted under K.S.A.~~
24 ~~72-8801, and amendments thereto, and such resolution specified a lesser~~
25 ~~mill rate than the statutorily prescribed mill rate or a lesser number of~~
26 ~~years than five, the board of education of the school district may adopt a~~
27 ~~second resolution under the same procedure as is provided in K.S.A. 72-~~
28 ~~8801, and amendments thereto, for the initial resolution and subject to~~
29 ~~the same conditions and for the same purposes as provided in K.S.A. 72-~~
30 ~~8801, and amendments thereto, and shall be authorized to make such~~
31 ~~additional tax levy as is specified in such second resolution for the re-~~
32 ~~mainder of the five years succeeding the adoption of the initial resolution.~~
33 ~~Any such second resolution shall be limited in amount as specified in~~
34 ~~K.S.A. 72-8801, and amendments thereto, less such amount as has been~~
35 ~~authorized in the initial resolution, and not to exceed the statutorily pre-~~
36 ~~scribed mill rate in any one year. In the event that~~ *The board of education*
37 *of any school district which has adopted a resolution under K.S.A. 72-*
38 *8801, and amendments thereto, may adopt subsequent resolutions ad-*
39 *justing the amount of the tax levy or the duration of such levy or address-*
40 *ing the uses of the moneys derived from a levy made pursuant to the*
41 *subsequent resolution. If the board adopts a resolution pursuant to this*
42 *section, the existing resolution shall remain in force and effect until the*
43 *resolution adopted pursuant to this section becomes effective. If **any such***

1 *resolution is so adopted and the tax levy therein specified is ap-*
2 *proved under the conditions specified in K.S.A. 72-8801, and*
3 *amendments thereto, the amount of bonds which may be issued un-*
4 *der K.S.A. 72-8805, and amendments thereto, may be increased ac-*
5 *cordingly.*

6 **Sec. 5. K.S.A. 72-8810 is hereby amended to read as follows:**
7 **72-8810. Any school district which** ~~is authorized to make a tax levy~~
8 **adopts a resolution under K.S.A. 72-8809, and amendments thereto,**
9 **may issue and sell general obligation bonds based upon and in lieu**
10 **of making all or part of such tax levy. Any bonds issued under au-**
11 **thority of this section shall be subject to like limitations as bonds**
12 **issued under K.S.A. 72-8805, and amendments thereto, and shall be**
13 **issued in the same manner.**

14 **Sec. 6. K.S.A. 72-8801, 72-8804, 72-8805, 72-8807, 72-8808,**
15 **72-8809 and 72-8810 are hereby repealed.**

16 ~~Sec. 7.~~ This act shall take effect and be in force from and after its
17 publication in the statute book.

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