

SESSION OF 2003

## **SUPPLEMENTAL NOTE ON SENATE BILL NO. 22**

As Amended by Senate Committee of the Whole

### **Brief\***

SB 22 concerns school district capital outlay funds and would remove the five-year limit on the capital outlay mill levy. SB 22 also would expand the use of revenues generated by the levy to include acquisition of computers, including computer software and other technology expenses, and payments for utility services and insurance premiums. However, the authority to levy a tax or issue bonds to pay for the expanded uses of the capital outlay fund would expire on June 30, 2006.

### **Background**

Currently, the capital outlay mill levy is limited to five years. Under SB 22, there would be no statutory limit to the number of years the levy would be effective.

SB 22 also would expand the list of items for which capital outlay funds can be used. Currently, proceeds from the levy can be used for the following:

- Acquisition, construction, repair, remodeling, furnishing, and equipping school district facilities;
- Acquisition of building sites;
- Undertaking and maintenance of asbestos control projects;
- Acquisition of school buses; and
- Acquisition of other equipment.

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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/klrd>

SB 22 would add the following:

- Acquisition of computers, computer software, and other technology expenses;
- Utility services; and
- Insurance premiums.

An amendment added by the Senate Committee of the Whole provides that the authority to levy a tax or issue bonds to pay for the expanded uses of the capital outlay fund would expire on June 30, 2006.

Under the bill, expenditures from the capital outlay fund could be made only for allowable items that are identified in the resolution which must be adopted before a levy can be made. If SB 22 is enacted, a school district that is making expenditures from its capital outlay fund under an existing resolution would be limited to those expenditures specified in the resolution. In order to make expenditures for the expanded uses that would be authorized by the bill, a school district would have to adopt a new resolution.

In its original version, SB 22 dealt only with expanding the use of the capital outlay levy to include acquisition of computers, computer software, and other technology expenses. The Senate Education Committee amended the bill to add the provisions of SB 83, which would expand the use of the capital outlay fund to include payments for utility services and insurance premiums and would also remove the five-year limit on the number of years a capital outlay levy can be in effect.

According to the fiscal note prepared by the Division of the Budget, there would be no fiscal impact to the state due to passage of SB 22.