SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR HOUSE BILL NO. 2396

As Amended by Senate Committee on Assessment and Taxation

Brief*

Senate Sub. for HB 2396, as amended, would create an election requirement for the adoption of taxing subdivision budgets in excess of a funding limit established by the bill and would extend the state reimbursement of county expenses for printing and postage of revenue neutral rate notices.

The bill would be in effect upon publication in the *Kansas Register.*

Election Requirement

The bill would require a taxing subdivision to adopt a resolution and hold an election in order to adopt a budget that provides for funding by property taxes in excess of the prior year's amount adjusted for inflation for the prior year according to the Consumer Price Index for the Midwest Region, up to a maximum adjustment of 3 percent per year.

The election would be required to be called in accordance with the election requirements for approval of the issuance of bonds and would be held at the next regularly scheduled election in August.

In the event the resolution to adopt such budget is not approved at the election, the taxing subdivision would be

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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 https://klrd.gov/

required to adopt a budget that provides for funding by property taxes not in excess of the prior year's amount.

Revenue Neutral Rate Notice Reimbursement

The bill would extend state reimbursement for printing and postage costs associated with the revenue neutral rate notices, currently scheduled to end after calendar year 2026, through 2031.

Background

The bill was introduced by the House Committee on Taxation at the request of Representative A. Smith.

House Committee on Taxation

At the House Committee hearing, **proponent** testimony was provided by representatives of the Kansas Association of Counties, Kansas Association of School Boards, Kansas Farm Bureau, Kansas School Superintendents' Association, and United School Administrators of Kansas. The proponents generally stated the bill would eliminate revenue neutral provisions, which sometimes confuse taxpayers, and provide for property tax relief based on payments to local governments and the ability for taxpayers to protest certain tax increases by petition.

Written-only proponent testimony was provided by representatives of the Johnson County Board of County Commissioners, Kansas Legislative Policy Group, and National Federation of Independent Business.

Neutral testimony was provided by a representative of the League of Kansas Municipalities.

Written-only neutral testimony was provided by a representative of the Saline County Board of County Commissioners.

Written-only **opponent** testimony was provided by a representative of the City of Overland Park, generally stating the bill would enable a minority of the citizens of a taxing jurisdiction to block a budget that might be approved by a majority of the citizens.

No other testimony was provided.

The House Committee amended the bill to:

- Change the protest petition threshold from 10 percent of the votes cast in the most recent Secretary of State general election to 10 percent of votes cast in the most recent general election for U.S. President;
- Exclude property tax revenues dedicated to paying bond issues approved after July 1, 2025, from the calculation of property taxes triggering the protest petition opportunity and excluding the taxing jurisdiction from payments from the Acknowledging Stewardship of Tax Revenue and Appropriations (ASTRA) Fund;
- Require annual reporting from the State Treasurer of a list of cities and counties receiving and not receiving payments from the ASTRA Fund;
- Require the Director of Accounts and Reports to provide a standard protest petition form; and
- Require protest petition availability to be posted on existing county social media.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Representative A. Smith and representatives of the Kansas Association of Counties, Kansas Association of School Boards, Kansas Farm Bureau, and Sedgwick County Board of County Commissioners. The proponents generally stated the bill would provide incentives for taxing jurisdictions to limit increases to property taxes and provide taxpayers an opportunity to prevent certain property tax increases.

Written-only proponent testimony was provided by a representative of the Kansas Legislative Policy Group.

Neutral testimony was provided by a representative of the League of Kansas Municipalities.

Written-only neutral testimony was provided by representatives of Americans for Prosperity-Kansas and the cities of Overland Park and Wichita.

Opponent testimony was provided by Representative Poetter Parshall and representatives of the Kansas Policy Institute and the city of Bel Aire. Opponents generally stated the bill would eliminate property tax transparency provisions that have served to prevent property tax increases and would confuse taxpayers.

Written-only opponent testimony was provided by a private citizen.

No other testimony was provided.

The Senate Committee amended the bill to:

- Eliminate a repeal of the revenue neutral rate process;
- Modify the notice form for revenue neutral rate notices;

- Include a 3 percent ceiling on property tax increases not generating a protest petition opportunity;

- Eliminate a provision creating the ASTRA Fund and making payments to counties and cities adopting property tax levels below the amount provided for in the bill; and

- Establishing the Costs Fund and providing for the mailing of protest petition notices and the reimbursement of costs thereof.

The Senate Committee recommended a substitute bill be created incorporating the amendments.

On January 27, 2026, the substitute bill was withdrawn from the Senate Calendar and re-referred to the Senate Committee on Assessment and Taxation.

On March 27, 2026, the Senate Committee amended the substitute bill by removing the contents of the bill and inserting the election requirement and extension of the revenue neutral rate reimbursement described above.

Fiscal Information

A revised fiscal note for the amended bill was not immediately available.

Taxation; property tax; election requirement