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LEGISLATURE *of* THE STATE *of* KANSAS

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MEMORANDUM

To: Senate Committee on Assessment and Taxation
From: Office of Revisor of Statutes
Date: February 13, 2024
Subject: Senate Bill No. 332

Summary

Senate Bill No. 332 relates to the local ad valorem tax reduction fund (LAVTRF) and would provide for the distribution of LAVTRF moneys from the state to residential property taxpayers in the form of rebates.

The bill would discontinue certain existing procedures for the distribution of local ad valorem tax reduction fund (LAVTRF) moneys to taxing subdivisions that levy property taxes. Commencing during fiscal year 2025, one transfer of \$50,000,000 would be made annually on October 15 from the state general fund to the LAVTRF. The state treasurer would continue to apportion and distribute the money to the counties in accordance with the existing formula in K.S.A. 2023 Supp. 79-2959(c).

Not later than 60 days from the date the distributed amount is received by the county treasurer, the county treasurer would distribute such amount to residential property taxpayers in the form of rebates in proportion of a residential property's assessed value to the total assessed value of all residential property in the county. The rebates would be made in the form of rebate checks or as credits against the current year's property taxes. "Residential property" for this purpose would mean property classified within subclass (1) of class 1 (real property used for residential purposes) and subclass (1) of class 2 (personal property mobile homes used for residential purposes) of section 1 of article 11 of the constitution of the state of Kansas.

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The bill also provides for annual reporting by the county treasurers to the director of property valuation and for the director of property valuation to annually report to the legislature. The legislative post audit committee would also annually direct a performance audit of at least five counties during calendar years 2025 through 2029.

The bill would take effect from and after its publication in the statute book.