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MEMORANDUM

To: Members of the House Committee on Taxation
From: Office of Revisor of Statutes
Date: February 27, 2025
Subject: Senate Bill No. 35 (As Amended by Senate Committee of the Whole)

Summary

Senate Bill No. 35 would discontinue the state property tax levies (1.5 mills) for the Kansas educational building fund and the state institutions building fund after tax year 2025 and provide financing from the state general fund beginning July 1, 2026.

Section 1 would discontinue after tax year 2025 the state tax levy of 1 mill on all taxable tangible property in the state for the use and benefit of the state institutions of higher education. Currently, the moneys received from this levy are credited to the Kansas educational building fund.

Section 2 would provide that on July 1, 2026, or as soon thereafter as moneys are available, \$56,000,000 shall be transferred from the state general fund to the Kansas educational building fund. On July 1, 2027, and each year thereafter, the amount of the transfer shall be equal to the immediately preceding year plus the percentage equal to the average percentage change in statewide taxable valuation of all property for the preceding 10 years.

Section 3 would discontinue after tax year 2025 the state tax levy of 0.5 mill on all taxable tangible property in the state for the use and benefit of state institutions caring for certain persons. Currently, the moneys received from this levy are credited to the state institutions building fund.

Section 4 would provide that on July 1, 2026, or as soon thereafter as moneys are available, \$25,000,000 shall be transferred from the state general fund to the state institutions building fund. On July 1, 2027, and each year thereafter, the amount of the transfer shall be equal to the immediately preceding year plus 2% of \$25,000,000.

Section 5 would addresses accounting procedures related to the tax levies and provide that the provisions of the section would expire June 30, 2026.