



As marked up by Jim Benage, Mayor, City of Bel Aire

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*Session of 2025*

## HOUSE BILL No. 2396

By Committee on Taxation

Requested by Representative A. Smith

2-27

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AN ACT concerning property taxation; relating to property tax revenues of taxing jurisdictions; authorizing the use of a protest petition to limit funding of a taxing jurisdiction by property tax revenues above a certain amount; establishing the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund and authorizing certain transfers from the state general fund to qualifying cities and counties; requiring reporting by the state treasurer of the cities and counties that receive transfers; eliminating the revenue neutral rate requirements by taxing subdivisions and the taxpayer notification costs fund; amending K.S.A. 2024 Supp. 72-5137, 79-1801 and 79-2929 and repealing the existing sections; also repealing K.S.A. 2024 Supp. 79-2988 and 79-2989.

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

New Section 1. (a) (1) The governing body of any taxing jurisdiction that approves any appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b) may have such appropriation or budget subject to a protest petition and a reduction in the amount of property tax revenues allowed to be levied by the taxing jurisdiction. A protest petition contesting the increase in property tax revenues for the taxing jurisdiction may be submitted to the county clerk within 30 days, or the next business day after if the 30th day falls on a weekend or county holiday, following the date that the governing body of a taxing jurisdiction certifies to the county clerk the amount of ad valorem tax to be levied pursuant to K.S.A. 79-1801, and amendments thereto. If a taxing jurisdiction fails to timely certify the amount of ad valorem tax to be levied pursuant to K.S.A. 79-1801, and amendments



thereto, the taxing jurisdiction shall be limited to funding by property tax revenues at the maximum amount provided in subsection (b).

(2) The county clerk shall notify the county treasurer of all taxing jurisdictions that approve any appropriation or budget that provides for funding by property tax revenues in excess of the amount provided in subsection (b). The county treasurer's office shall post on its the county website and social media, if such website or social media exists, and post in the county treasurer's office whether any protest petitions are available for any taxing jurisdiction within the county. The county treasurer shall also make available in the county treasurer's office during business hours a copy of each protest petition with the signature page in order to obtain signatures. The requirements set forth in K.S.A. 25-3602, and amendments thereto, relating to the filing of petitions at one time all in one group and the petition circulator and signature requirements shall not apply to protest petitions maintained by a county treasurer. The director of accounts and reports shall design, revise and publish on the website of the department of administration a standard protest petition form pursuant to the provisions of this section and K.S.A. 25-3602, and amendments thereto. In the event that a protest petition is signed by at least **20%** of the qualified voters of the votes cast for the office President of the United States at the last general election in such taxing jurisdiction, and is filed within 30 days with the county clerk of the county, the taxing jurisdiction shall be limited to funding by property tax revenues at the maximum amount provided in subsection (b). Upon the finding that a petition protesting the increase in funding by property tax revenues was signed by less than the required number of voters, the taxing jurisdiction shall proceed with the increases in funding by property tax revenues. The provisions of this subsection shall not apply in the event the transfer provided in section 2(b), and amendments thereto, is not provided.

(b) A taxing jurisdiction shall be limited in its budget to a total amount of ad valorem tax to be levied in an amount that is equal to or less than the total amount of ad valorem tax levied for the preceding tax year, increased by an amount that is equal to or less than such ad valorem tax when the following are included;

(1) An increase of not more than the amount of the annual Percentage of consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor **for the 12 months ending in June of the current year** multiplied by the total amount of ad valorem tax levied for the preceding tax year **(to be known herein as the inflation valued budget)**; and

~~(2) increased property tax revenues that, in the current year, are produced and attributable to the taxation of the construction of any new structures or improvements or the remodeling or renovation of any existing structures or improvements on real property, excluding any ordinary maintenance or repair of any existing structures or improvements on the property. The director of property valuation shall provide to the state treasurer any information required under this paragraph~~ **increase in population accounted by dividing the inflation valued budget in (1) above by the US Census Population of the taxing jurisdiction for the year prior to the preceding year multiplied by US Census Population of the taxing jurisdiction for the prior year. E.g. for the 2026 budget year exercise the 2025 budget is divided by US Census population for 2023 and then multiplied by the US Census population for 2024. In those years where the US Census only provides an estimate of population, that estimate shall be used.**

; and

(3) increased property tax revenues that are dedicated to paying off a bond issuance that was approved by a vote of the electors at an election held on and after July 1, 2025

(c) The provisions of this section shall not apply to the state of Kansas ~~or a school district.~~

New Sec. 2. (a) There is hereby created the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On July 15 of each year, or as soon thereafter as moneys are available, \$60,000,000 shall be transferred by the director of accounts and reports from the state general fund to the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund. Commencing with the transfer on July 15, 2026, the amount to be transferred pursuant to this subsection shall be increased by 2% from the prior year's transfer.

(c) The state treasurer shall calculate the apportionment for each county based on the following: (1) 65% of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1 of the preceding year; and (2) 35% of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the



counties on November 1 of the preceding year as certified by the director of property valuation. The county and each city contained therein, if eligible pursuant to subsection (d), shall receive a proportion of such apportionment based on the ratio of the property taxes levied of the county and the property taxes levied of any cities located within the county. The state treasurer shall send notice to every county and city by August 1 with the maximum amount of ad valorem tax to be levied to qualify pursuant to section 1(b), and amendments thereto, and the amount of payment from the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund. The director of property valuation shall provide to the state treasurer any information required under this paragraph.

(d) The director of property valuation shall certify to the state treasurer on or before November 15, the amount of ad valorem tax to be levied pursuant to K.S.A. 79-1801, and amendments thereto, whether the county's or any city's budget provides for a total amount of ad valorem tax to be levied in an amount that is less than or equal to the amount of ad valorem tax levied for the preceding year increased by an amount that is equal to or less than the amount provided in section 1(b), and amendments thereto.

(e) On or before January 15th following the transfer provided in subsection (b), the state treasurer shall pay the amount specified in subsection (c) to each eligible county and city. Such funds shall only be used for services, including, but not limited to, roads and bridges, law enforcement, elections, public health and safety or any other services mandated by law

(f) If it is determined a county or city received payment and was not entitled to the payment, the county or city shall return or remit such payment to the state treasurer. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

(g) Any amounts that are not transferred because a city or county did not comply with the provisions of this act shall be deposited by the state treasurer in the state treasury to the credit of the state general fund.

(h) The state treasurer shall provide to the house committee on taxation and the senate committee on assessment and taxation on or before January 31 of each year the list of cities and counties that received a transfer from the acknowledging stewardship of tax revenue and appropriations (ASTRA) fund and a list of those cities and counties that did not receive a transfer.

Sec. 3. K.S.A. 2024 Supp. 72-5137 is hereby amended to read as follows: 72-5137. On or before October 10 of each school year, the clerk or superintendent of

each school district shall certify under oath to the state board a report showing the total enrollment of the school district by grades maintained in the schools of the school district and such other reports as the state board may require. Each such report shall show postsecondary education enrollment, career technical education enrollment, special education enrollment, bilingual education enrollment, at-risk student enrollment and virtual school enrollment in such detail and form as is specified by the state board. Upon receipt of such reports, the state board shall examine the reports and if the state board finds any errors in any such report, the state board shall consult with the school district officer furnishing the report and make any necessary corrections in the report. On or before August 25 of each year, each such clerk or superintendent shall also certify to the state board a copy of the budget adopted by the school district.

Sec. 4. K.S.A. 2024 Supp. 79-1801 is hereby amended to read as follows: 79-1801. (a) Except as provided by subsection (b), each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before August 25, to the proper county clerk the amount of ad valorem tax to be levied. Thereupon, the county clerk shall place the tax upon the tax roll of the county, in the manner prescribed by law, and the tax shall be collected by the county treasurer. The county treasurer shall distribute the proceeds of the taxes levied by each taxing subdivision in the manner provided by K.S.A. 12-1678a, and amendments thereto.

(b) On and after January 1, 2025, if the governing body of a taxing subdivision must *amend its budget pursuant to a successful protest* petition under *section 1*, and amendments thereto, the governing body of the taxing subdivision shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

Sec. 5. K.S.A. 2024 Supp. 79-2929 is hereby amended to read as follows: 79-2929. Prior to the filing of the adopted budget with the county clerk, the governing body of each taxing or political subdivision or municipality shall meet for the purpose of answering and hearing objections of taxpayers relating to the proposed budget and for the purpose of considering amendments to such proposed budget. The governing body shall give at least 10 days' notice of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein **or appropriate website of the taxing jurisdiction if said jurisdiction has adopted appropriate ordinance(s) for legal publication on their website**. Such notice shall include the proposed budget and shall set out all essential items in the budget except such groupings

as designated by the director of accounts and reports on a special publication form prescribed by the director of accounts and reports and furnished with the regular budget form. The notice of a governing body of any taxing subdivision or municipality having an annual expenditure of \$500 or less shall specify the time and place of the meeting required by this section but shall not be required to include the proposed budget of such taxing subdivision or municipality.

Sec. 6. K.S.A. 2024 Supp. 72-5137, 79-1801, 79-2929, 79-2988 and 79-2989 are hereby repealed.

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