

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **SB 35**, As Amended by Senate Committee of the Whole, on page 1, by striking all in lines 9 through 34;

By striking all on pages 2 through 5;

On page 6, by striking all in lines 1 through 18 and inserting:

"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 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 10% of the qualified voters of the votes cast for the office of 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.

(3) A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the funding by property tax revenues in excess of the amount provided in subsection (b), shall be required prior to adoption of a proposed budget that will result in an increase in property tax revenues for the taxing jurisdiction in excess of the amount provided in subsection (b). Such vote of the governing body shall be conducted at a public hearing and shall be a roll call vote. A copy of the resolution or ordinance to approve an increase in property tax revenues for the taxing jurisdiction in excess of the amount provided in subsection (b) and a

certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body shall be published on the website of the department of administration.

(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 multiplied by the total amount of ad valorem tax levied for the preceding tax year;

(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; 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.

(d) (1) The county clerk shall provide a protest petition notice to each taxpayer with property in 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 clerk shall transmit the notice to each taxpayer by mail directed to the taxpayer's last known

address or by electronic means if such taxpayer and county clerk have consented in writing to service by electronic means. The notice shall be in a format prescribed by the director of accounts and reports. The notice shall include:

(A) An explanation of the protest petition process and requirements, including, but not limited to, the deadline for signatures, the physical location of publicly held protest petitions, a website address where the protest petition form is available and the results of a successful protest petition;

(B) the taxes levied of all taxing jurisdictions within the county for the previous year and the current year;

(C) the difference between previous and current year tax levied expressed in dollars and percentage; and

(D) a clear and conspicuous identification of the taxing jurisdictions that approved any appropriation or budget that is subject to a protest petition pursuant to this section.

(2) In the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to paragraph (3), such county clerk may seek reimbursement from all taxing jurisdictions with an appropriation or budget that is subject to a protest petition. Such costs shall be shared proportionately by all such taxing jurisdictions that were included on the same notice based on the total property tax levied by each taxing jurisdiction. Payment of such costs shall be due to the county clerk by December 31.

(3) (A) For calendar years 2025 and 2026, if a county clerk has printing or postage costs pursuant to paragraph (1), the county clerk shall notify and provide documentation of such costs to the secretary of revenue. The secretary of revenue shall certify the amount of moneys attributable to such costs and transmit a copy of such certification to the director of accounts and reports. Upon such receipt of such certification, the director of accounts and reports shall transfer

an amount of moneys equal to such certified amount from the state general fund to the protest petition notification costs fund of the department of revenue. The secretary of revenue shall transmit a copy of each such certification to the director of legislative research and the director of the budget.

(B) There is hereby established in the state treasury the protest petition notification costs fund that shall be administered by the secretary of revenue. All expenditures from the protest petition notification costs fund shall be for the purpose of paying county printing and postage costs pursuant to paragraph (1). All expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of revenue or the secretary's designee.

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 total assessed valuations used to calculate such county's and each city's ad valorem property taxes in the preceding year. 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, ~~except when a school district must conduct a public hearing to approve exceeding the revenue neutral rate under K.S.A. 2024 Supp. 79-2988, and amendments thereto, a copy of such budget shall be certified to the state board on or before~~ September 20.

Sec. 4. K.S.A. 2024 Supp. 72-5142 is hereby amended to read as follows: 72-5142. (a)

The board of education of each school district shall levy an ad valorem tax upon the taxable tangible property of the school district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the school district's general fund budget that is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment school district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.

(b) The tax required under subsection (a) shall be levied at a rate of 20 mills in the school years ~~2023-2024~~ 2025-2026 and ~~2024-2025~~ 2026-2027.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose described in subsection (a)(3), shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

Sec. 5. 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) ~~Prior to January 1, 2021, if the governing body of a city or county must conduct an election for an increase in property tax to fund any appropriation or budget under K.S.A. 25-433a, and amendments thereto, the governing body of the city or county shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied. On and after January 1, 2021~~ 2025, if the governing body of a taxing subdivision ~~must conduct a public hearing to approve exceeding the revenue neutral rate~~ shall amend such governing body's budget pursuant to a successful protest petition under K.S.A. 2024 Supp. 79-2988 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. 6. 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. 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. ~~Such form shall also include the revenue~~

~~neutral rate as provided in K.S.A. 2024 Supp. 79-2988, and amendments thereto.~~ 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. 7. K.S.A. 2024 Supp. 72-5137, 72-5142, 79-1801, 79-2929, 79-2988 and 79-2989 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "to"; by striking all in lines 2 and 3; in line 4, by striking all before the semicolon and inserting "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; providing for a protest petition notice to be sent to taxpayers; establishing the protest petition notification costs fund; eliminating the revenue neutral rate requirements by taxing subdivisions and the taxpayer notification costs fund; authorizing the continuation of the 20-mill statewide property tax levy for schools"; also in line 4, by striking all after "amending"; in line 5, by striking all before "K.S.A."; also in line 5, by striking "76-6b05" and inserting "72-5137, 72-5142, 79-1801 and 79-2929"; in line 6, after "sections" by inserting "; also repealing K.S.A. 2024 Supp. 79-2988 and 79-2989"

_____ District.