

Senate Substitute for HOUSE BILL No. 2125

By Committee on Assessment and Taxation

3-13

1 AN ACT concerning property taxation; relating to tax levies and tax
2 statements; modifying the deadline for mailing tax statements to
3 taxpayers to be earlier than the current deadline; modifying the
4 deadline for governing bodies to certify the amount of property tax to
5 be levied to the county clerk; providing for the county clerk's use of the
6 previous year's budget when a taxing subdivision fails to timely file its
7 budget; relating to the revenue neutral rate; modifying the content
8 requirements of the revenue neutral rate hearing notice; extending
9 reimbursement from the taxpayer notification costs fund for printing
10 and postage costs for county clerks for calendar years 2025 and 2026;
11 amending K.S.A. 2024 Supp. 79-1801, 79-2001, 79-2930, 79-2988 and
12 79-2989 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2024 Supp. 79-1801 is hereby amended to read as
16 follows: 79-1801. ~~(a) Except as provided by subsection (b),~~ Each year the
17 governing body of any city, the trustees of any township, the board of
18 education of any school district and the governing bodies of all other
19 taxing subdivisions shall certify, on or before ~~August 25~~ *October 1*, to the
20 proper county clerk the amount of ad valorem tax to be levied. Thereupon,
21 the county clerk shall place the tax upon the tax roll of the county, in the
22 manner prescribed by law, and the tax shall be collected by the county
23 treasurer. The county treasurer shall distribute the proceeds of the taxes
24 levied by each taxing subdivision in the manner provided by K.S.A. 12-
25 1678a, and amendments thereto.

26 ~~(b) Prior to January 1, 2021, if the governing body of a city or county~~
27 ~~must conduct an election for an increase in property tax to fund any~~
28 ~~appropriation or budget under K.S.A. 25-433a, and amendments thereto,~~
29 ~~the governing body of the city or county shall certify, on or before October~~
30 ~~1, to the proper county clerk the amount of ad valorem tax to be levied. On~~
31 ~~and after January 1, 2021, if the governing body of a taxing subdivision~~
32 ~~must conduct a public hearing to approve exceeding the revenue neutral~~
33 ~~rate under K.S.A. 2024 Supp. 79-2988, and amendments thereto, the~~
34 ~~governing body of the taxing subdivision shall certify, on or before~~
35 ~~October 1, to the proper county clerk the amount of ad valorem tax to be~~
36 ~~levied.~~

1 Sec. 2. K.S.A. 2024 Supp. 79-2001 is hereby amended to read as
2 follows: 79-2001. (a) As soon as the county treasurer receives the tax roll
3 of the county, the treasurer shall enter in a column opposite the description
4 of each tract or parcel of land the amount of unpaid taxes and the date of
5 unredeemed sales, if any, for previous years on such land. The treasurer
6 shall cause a notice to be published in the official county paper once each
7 week for three consecutive weeks, stating in the notice the amount of taxes
8 charged for state, county, township, school, city or other purposes for that
9 year, on each \$1,000 of valuation.

10 (b) Each year after receipt of the tax roll from the county clerk and
11 before December~~15~~ 1, the treasurer shall mail to each taxpayer, as shown
12 by the rolls, a tax statement which indicates the taxing unit, assessed value
13 of real and personal property, the mill levy and tax due. In addition, with
14 respect to land devoted to agricultural use, such statement shall indicate
15 the acreage and description of each parcel of such land. The tax statement
16 shall also indicate separately each parcel of real property which is
17 separately classified for property tax purposes. The county appraiser shall
18 provide the information necessary for the county treasurer to comply with
19 the provisions of this section. The tax statement also may include the
20 intangible tax due the county. All items may be on one statement or may
21 be shown on separate statements and may be on a form prescribed by the
22 county treasurer. The statement shall be mailed to the last known address
23 of the taxpayer or to a designee authorized by the taxpayer to accept the
24 tax statement, if the designee has an interest in receiving the statement.
25 When any statement is returned to the county treasurer for failure to find
26 the addressee, the treasurer shall make a diligent effort to find a
27 forwarding address of the taxpayer and mail the statement to the new
28 address. All tax statements mailed pursuant to this section shall be mailed
29 by first-class mail. The requirement for mailing a tax statement shall
30 extend only to the initial statement required to be mailed in each year and
31 to any follow-up required by this section. Alternatively, the county
32 treasurer may transmit the tax statement to the taxpayer by electronic
33 means if such taxpayer consented to service by electronic means.

34 (c) After receipt of the tax roll from the county clerk and before
35 December~~15~~ 1, the treasurer shall mail to each taxpayer, as shown by the
36 tax rolls, a tax information form which indicates the taxing unit, assessed
37 value of real property for the current and next preceding taxable year, the
38 mill levy for the current and next preceding taxable year and, in the case of
39 unified school districts, the mill levy required by K.S.A. 72-5142, and
40 amendments thereto, shall be separately indicated, the tax due and an
41 itemization of each taxing unit's mill levy for the current and next
42 preceding taxable year and the percentage change in the amount of
43 revenue produced therefrom, if any. In addition, with respect to land

1 devoted to agricultural use, such form shall indicate the acreage and
2 description of each parcel of such land. The tax information form shall
3 also indicate separately each parcel of real property which is separately
4 classified for property tax purposes. The county appraiser shall provide the
5 information necessary for the county treasurer to comply with the
6 provisions of this section. The tax information form may be separate from
7 the tax statement or a part of the tax statement. The tax information form
8 shall be in a format prescribed by the director of property valuation. The
9 tax information form shall be mailed to the last known address of the
10 taxpayer. When a tax information form is returned to the county treasurer
11 for failure to find the addressee, the treasurer shall make a diligent effort to
12 find a forwarding address of the taxpayer and mail the tax information
13 form to the new address. All tax information forms mailed pursuant to this
14 section shall be mailed by first class mail. Alternatively, the county
15 treasurer may transmit the tax information forms to the taxpayer by
16 electronic means if such taxpayer consented to service by electronic
17 means.

18 Sec. 3. K.S.A. 2024 Supp. 79-2930 is hereby amended to read as
19 follows: 79-2930. (a) Two copies of the budget certificate giving the
20 amount of ad valorem tax to be levied and the total amount of the adopted
21 budget of expenditures by fund, along with itemized budget forms for each
22 and every fund and proof of publication of the notice of budget hearing
23 containing the budget summary shall be presented to the county clerk
24 within the time prescribed by K.S.A. 79-1801, and amendments thereto.
25 All such budget information shall be filed electronically with the county
26 clerk. Where action has been taken under any statute to increase the
27 amount of tax to be levied authorized by law, a statement showing the
28 increased amount or tax levy rate voted, or a copy of the charter resolution
29 or ordinance making the change, shall be attached to the budget each year
30 the change is in effect. *If any taxing subdivision does not present or file*
31 *such budget information with the county clerk by 5:00 p.m. on October 1,*
32 *then the county clerk shall use the previous year's budget information and*
33 *amount of ad valorem tax to be levied of such taxing subdivision.*

34 (b) The county clerk shall make any reductions to the ad valorem tax
35 to be levied, compute the tax levy rates based on the final equalized
36 assessed valuation, and enter such on the budget certificate before attesting
37 the budget, except that with regard to levies made under K.S.A. 75-2551,
38 and amendments thereto, such levies shall be based upon the certified
39 preliminary abstract of property values submitted to the director of
40 property valuation pursuant to K.S.A. 79-1604, and amendments thereto.
41 ~~Beginning in 2022,~~ On or before December 31 each year, a copy of all
42 budgets for taxing subdivisions of the county, properly attested, shall be
43 filed with the director of accounts and reports, along with a copy of the tax

1 levy rate summary. All such budget information shall be filed
2 electronically with the director of accounts and reports.

3 (c) Each fund of the adopted budget certified to the county clerk in no
4 event shall exceed the amount of ad valorem tax to be levied and the
5 proposed expenditures of such fund in the proposed budget as originally
6 published. The governing body of each taxing subdivision shall not certify
7 an amount of ad valorem taxes to be levied that is in excess of any tax levy
8 rate or amount limitations or any aggregate tax levy limitations. The
9 governing bodies, in fixing the amount may take into consideration and
10 make allowance for the taxes which may not be paid, *except that* such
11 allowance, ~~however,~~ shall not exceed by more than 5% the percentage of
12 delinquency for the preceding tax year.

13 Sec. 4. K.S.A. 2024 Supp. 79-2988 is hereby amended to read as
14 follows: 79-2988. (a) On or before June 15 each year, the county clerk
15 shall calculate the revenue neutral rate for each taxing subdivision and
16 include such revenue neutral rate on the notice of the estimated assessed
17 valuation provided to each taxing subdivision for budget purposes, except
18 that for tax year 2024, the deadline shall be extended to July 1, 2024. The
19 director of accounts and reports shall modify the prescribed budget
20 information form to show the revenue neutral rate.

21 (b) Except as otherwise provided in this section, no tax rate in excess
22 of the revenue neutral rate shall be levied by the governing body of any
23 taxing subdivision unless a resolution or ordinance has been approved by
24 the governing body according to the following procedure:

25 (1) At least 10 days in advance of the public hearing, the governing
26 body shall publish notice of its proposed intent to exceed the revenue
27 neutral rate by publishing notice:

28 (A) On the website of the governing body, if the governing body
29 maintains a website; and

30 (B) in a weekly or daily newspaper of the county having a general
31 circulation therein. The notice shall include, but not be limited to, its
32 proposed tax rate, its revenue neutral rate and the date, time and location
33 of the public hearing.

34 (2) On or before July 20, the governing body shall notify the county
35 clerk of its proposed intent to exceed the revenue neutral rate and provide
36 the date, time and location of the public hearing and its proposed tax rate.
37 For all tax years commencing after December 31, 2021, the county clerk
38 shall notify each taxpayer with property in the taxing subdivision, by mail
39 directed to the taxpayer's last known address, of the proposed intent to
40 exceed the revenue neutral rate at least 10 days in advance of the public
41 hearing. Alternatively, the county clerk may transmit the notice to the
42 taxpayer by electronic means at least 10 days in advance of the public
43 hearing, if such taxpayer and county clerk have consented in writing to

1 service by electronic means. The county clerk is not required to send a
2 notice to a property owner of property that is exempt from ad valorem
3 taxation. The county clerk shall consolidate the required information for
4 all taxing subdivisions relevant to the taxpayer's property on one notice.
5 The notice shall be in a format prescribed by the director of accounts and
6 reports. The notice shall include, but not be limited to:

7 (A) The following heading:

8 "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND
9 PUBLIC HEARINGS

10 [Current year] [County name] County Revenue Neutral Rate Notice

11 This is NOT a bill. Do not remit payment.";

12 (B) the following statement:

13 "This notice contains estimates of the tax on your property and
14 proposed property tax increases. THE ACTUAL TAX ON YOUR
15 PROPERTY MAY INCREASE OR DECREASE FROM THESE
16 ESTIMATES. Governing bodies of taxing subdivisions must vote in order
17 to exceed the Revenue Neutral Rate to increase the total property taxes
18 collected. Governing bodies will vote at public hearings at the dates, times
19 and locations listed. Taxpayers may attend and comment at the hearings.
20 Property tax statements will be issued after mill rates are finalized and
21 taxes are calculated.";

22 (C) the appraised value and assessed value of the taxpayer's property
23 for the current year and the previous year;

24 (D) the *tax rate and* amount of property tax of each taxing
25 subdivision on the taxpayer's property from the previous year's tax
26 statement in a column titled: "[Previous year] Tax";

27 (E) the *revenue neutral rate and* estimated amount of property tax for
28 the current year of each taxing subdivision on the taxpayer's property
29 based on the revenue neutral rate of each taxing subdivision in a column
30 titled: "[Current year] Tax at Revenue Neutral Rate";

31 (F) the estimated amount of property tax for the current year of each
32 taxing subdivision on the taxpayer's property based on either: (i) The
33 revenue neutral rate for a taxing subdivision that does not intend to exceed
34 its revenue neutral rate; or (ii) the proposed tax rate provided by the taxing
35 subdivision, if the taxing subdivision notified the county clerk of its
36 proposed intent to exceed its revenue neutral rate, *and such rate used in*
37 *the calculation*, in a column titled: "[Current year]-~~Maximum~~ Proposed
38 Tax";

39 (G) the difference between the amount of the current year's ~~maximum~~
40 *proposed* tax and the previous year's tax, reflected in dollars and a
41 percentage, for each taxing subdivision in a column titled: "[Current year]
42 ~~Maximum~~ Proposed Tax Exceeding [Previous year] Tax";

43 (H) the date, time and location of the public hearing of each taxing

1 subdivision that notified the county clerk of its proposed intent to exceed
2 its revenue neutral rate in a column titled: "Date, Time and Location of
3 Public Hearing"; and

4 (I) for each taxing subdivision public hearing listed pursuant to
5 subparagraph (H), the difference between the current year's ~~maximum~~
6 *proposed* tax and the estimated amount of property tax based on the
7 revenue neutral rate of such taxing subdivision in a column titled:
8 "[Current year] ~~Maximum~~ *Proposed* Tax Exceeding Tax at Revenue
9 Neutral Rate".

10 Although the state of Kansas is not a taxing subdivision for purposes of
11 this section, the notice shall include the previous year's tax amount and the
12 estimate of the tax for the current year on the taxpayer's property based on
13 the statutory mill levies.

14 (3) The public hearing to consider exceeding the revenue neutral rate
15 shall be held not sooner than August 20 and not later than September 20.
16 The governing body shall provide interested taxpayers desiring to be heard
17 an opportunity to present oral testimony within reasonable time limits and
18 without unreasonable restriction on the number of individuals allowed to
19 make public comment. The public hearing may be conducted in
20 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
21 and amendments thereto, if the governing body otherwise complies with
22 all requirements of this section. Nothing in this section shall be construed
23 to prohibit additional public hearings that provide additional opportunities
24 to present testimony or public comment prior to the public hearing
25 required by this section.

26 (4) A majority vote of the governing body, by the adoption of a
27 resolution or ordinance to approve exceeding the revenue neutral rate,
28 shall be required prior to adoption of a proposed budget that will result in a
29 tax rate in excess of the revenue neutral rate. Such vote of the governing
30 body shall be conducted at the public hearing and on the same day as the
31 commencement of the public hearing after the governing body has heard
32 from interested taxpayers and shall be a roll call vote. If the governing
33 body approves exceeding the revenue neutral rate, the governing body
34 shall not adopt a budget that results in a tax rate in excess of its proposed
35 tax rate as stated in the notice provided pursuant to this section. A copy of
36 the resolution or ordinance to approve exceeding the revenue neutral rate
37 and a certified copy of any roll call vote reporting, at a minimum, the
38 name and vote of each member of the governing body related to exceeding
39 the revenue neutral rate, whether approved or not, shall be included with
40 the adopted budget, budget certificate and other budget forms filed with
41 the county clerk and the director of accounts and reports and shall be
42 published on the website of the department of administration.

43 (c) (1) Any governing body subject to the provisions of this section

1 that does not comply with subsection (b) shall refund to taxpayers any
2 property taxes over-collected based on the amount of the levy that was in
3 excess of the revenue neutral rate.

4 (2) Any taxpayer of the taxing subdivision that is the subject of the
5 complaint or such taxpayer's duly authorized representative may file a
6 complaint with the state board of tax appeals by filing a written complaint,
7 on a form prescribed by the board, that contains the facts that the
8 complaining party believes show that a governing body of a taxing
9 subdivision did not comply with the provisions of subsection (b) and that a
10 reduction or refund of taxes is appropriate. The complaining party shall
11 provide a copy of such complaint to the governing body of the taxing
12 subdivision making the levy that is the subject of the complaint.
13 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee
14 shall be charged by the executive director of the state board of tax appeals
15 for a complaint filed pursuant to this paragraph. The governing body of the
16 taxing subdivision making the levy that is the subject of the complaint
17 shall be a party to the proceeding. Notice of any summary proceeding or
18 hearing shall be served upon such governing body, the county clerk, the
19 director of accounts and reports and the complaining party. It shall be the
20 duty of the governing body to initiate the production of evidence to
21 demonstrate, by a preponderance of the evidence, the validity of such levy.
22 If upon a summary proceeding or hearing, it shall be made to appear to the
23 satisfaction of the board that the governing body of the taxing subdivision
24 did not comply with subsection (b), the state board of tax appeals shall
25 order such governing body to refund to taxpayers the amount of property
26 taxes over collected or reduce the taxes levied, if uncollected. The
27 provisions of this paragraph shall not be construed as prohibiting any other
28 remedies available under the law.

29 (d) On and after January 1, 2022, in the event that the tax levied by a
30 school district pursuant to K.S.A. 72-5142, and amendments thereto,
31 increases the property tax revenue generated for the purpose of calculating
32 the revenue neutral rate from the previous tax year and such amount of
33 increase in revenue generated from such tax levied is the only reason that
34 the school district would exceed the total property tax revenue from the
35 prior year, the school district shall be deemed to not have exceeded the
36 revenue neutral rate in levying a tax rate in excess of the revenue neutral
37 rate to take into account the increase in revenue from only such tax levied.

38 (e) (1) Notwithstanding any other provision of law to the contrary, if
39 the governing body of a taxing subdivision must conduct a public hearing
40 to approve exceeding the revenue neutral rate under this section, the
41 governing body of the taxing subdivision shall certify, on or before
42 October 1, to the proper county clerk the amount of ad valorem tax to be
43 levied.

1 (2) If a governing body of a taxing subdivision did not comply with
2 the provisions of subsection (b) and certifies to the county clerk an amount
3 of ad valorem tax to be levied that would result in a tax rate in excess of its
4 revenue neutral rate, the county clerk shall reduce the ad valorem tax to be
5 levied to the amount resulting from such taxing subdivision's revenue
6 neutral rate.

7 (f) As used in this section:

8 (1) "Taxing subdivision" means any political subdivision of the state
9 that levies an ad valorem tax on property.

10 (2) "Revenue neutral rate" means the tax rate for the current tax year
11 that would generate the same property tax revenue as levied the previous
12 tax year using the current tax year's total assessed valuation. To calculate
13 the revenue neutral rate, the county clerk shall divide the property tax
14 revenue for such taxing subdivision levied for the previous tax year by the
15 total of all taxable assessed valuation in such taxing subdivision for the
16 current tax year, and then multiply the quotient by 1,000 to express the rate
17 in mills. The revenue neutral rate shall be expressed to the third decimal
18 place.

19 (g) In the event that a county clerk incurred costs of printing and
20 postage that were not reimbursed pursuant to K.S.A. 2024 Supp. 79-2989,
21 and amendments thereto, such county clerk may seek reimbursement from
22 all taxing subdivisions required to send the notice. Such costs shall be
23 shared proportionately by all taxing subdivisions that were included on the
24 same notice based on the total property tax levied by each taxing
25 subdivision. Payment of such costs shall be due to the county clerk by
26 December 31.

27 (h) The department of administration or the director of accounts and
28 reports shall make copies of adopted budgets, budget certificates, other
29 budget documents and revenue neutral rate documents available to the
30 public on the department of administration's website on a permanently
31 accessible web page that may be accessed via a conspicuous link to that
32 web page placed on the front page of the department's website. The
33 department of administration or the director of accounts and reports shall
34 also make the following information for each tax year available on such
35 website:

36 (1) A list of taxing subdivisions by county;

37 (2) whether each taxing subdivision conducted a hearing to consider
38 exceeding its revenue neutral rate;

39 (3) the revenue neutral rate of each taxing subdivision;

40 (4) the tax rate resulting from the adopted budget of each taxing
41 subdivision; and

42 (5) the percent change between the revenue neutral rate and the tax
43 rate for each taxing subdivision.

1 (i) Notwithstanding any provisions to the contrary, in the event any
2 governing body does not comply with the provisions of subsection (b)
3 because such governing body did not intend to exceed its revenue neutral
4 rate but the final taxable assessed valuation of such taxing subdivision
5 used to calculate the actual tax levy is less than the estimated assessed
6 valuation used to calculate the revenue neutral rate, such governing body
7 shall be permitted to levy a tax rate that generates the same amount of
8 property tax revenue as levied the previous year or less.

9 Sec. 5. K.S.A. 2024 Supp. 79-2989 is hereby amended to read as
10 follows: 79-2989. (a) For calendar years ~~2023 and~~ 2024, *2025 and 2026* if
11 a county clerk has printing or postage costs pursuant to K.S.A. 2024 Supp.
12 79-2988, and amendments thereto, the county clerk shall notify and
13 provide documentation of such costs to the secretary of revenue. The
14 secretary of revenue shall certify the amount of moneys attributable to
15 such costs and shall transmit a copy of such certification to the director of
16 accounts and reports. Upon such receipt of such certification, the director
17 of accounts and reports shall transfer an amount of moneys equal to such
18 certified amount from the state general fund to the taxpayer notification
19 costs fund of the department of revenue. The secretary of revenue shall
20 transmit a copy of each such certification to the director of legislative
21 research and the director of the budget.

22 (b) There is hereby established in the state treasury the taxpayer
23 notification costs fund that shall be administered by the secretary of
24 revenue. All expenditures from the taxpayer notification costs fund shall
25 be for the purpose of paying county printing and postage costs pursuant to
26 K.S.A. 2024 Supp. 79-2988, and amendments thereto. All expenditures
27 from such fund shall be made in accordance with appropriations acts upon
28 warrants of the director of accounts and reports issued pursuant to
29 vouchers approved by the secretary of revenue or the secretary's designee.

30 Sec. 6. K.S.A. 2024 Supp. 79-1801, 79-2001, 79-2930, 79-2988 and
31 79-2989 are hereby repealed.

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