

HOUSE BILL No. 2138

By Committee on Education

Requested by Representative Schreiber

1-28

1 AN ACT concerning education; relating to school districts; authorizing
2 school districts to levy an annual tax levy of up to two mills for the
3 purposes of school building safety, security and compliance with the
4 Americans with disabilities act; including such levy in the capital
5 outlay state aid determination for school districts; amending K.S.A. 12-
6 1770a and 72-53,126 and repealing the existing sections.

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 New Section 1. (a) The board of education of any school district may
10 make an annual tax levy at a mill rate not to exceed two mills upon the
11 taxable tangible property in the school district for the purposes of
12 acquisition, construction, reconstruction, repair, remodeling, additions to,
13 furnishing, maintaining and equipping of school district property and
14 equipment necessary for: (1) School safety and security expenses; and (2)
15 school building expenses to achieve or maintain compliance with the
16 Americans with disabilities act and, with respect to any redevelopment
17 district established prior to July 1, 2025, pursuant to K.S.A. 12-1771, and
18 amendments thereto, for the purpose of paying a portion of the principal
19 and interest on bonds issued by cities under the authority of K.S.A. 12-
20 1774, and amendments thereto, for the financing of redevelopment
21 projects upon property located within the school district. No levy shall be
22 made under this act until a resolution is adopted by the board of education
23 in the following form:

24 Unified School District No. _____,
25 _____ County, Kansas.

26 RESOLUTION

27 Be It Resolved that:

28 The above-named school board shall be authorized to make an annual
29 tax levy in an amount not to exceed _____ mills upon the taxable tangible
30 property in the school district for the purpose of acquisition, construction,
31 reconstruction, repair, remodeling, additions to, furnishing, maintaining
32 and equipping of school district property and equipment necessary for
33 school district purposes, including: (1) School safety and security
34 expenses; and (2) school building expenses to achieve or maintain
35 compliance with the Americans with disabilities act and, with respect to

1 any redevelopment district established prior to July 1, 2025, pursuant to
 2 K.S.A. 12-1771, and amendments thereto, for the purpose of paying a
 3 portion of the principal and interest on bonds issued by cities under the
 4 authority of K.S.A. 12-1774, and amendments thereto, for the financing of
 5 redevelopment projects upon property located within the school district.
 6 The tax levy authorized by this resolution may be made, unless a petition
 7 in opposition to the same, signed by not less than 10% of the qualified
 8 electors of the school district, is filed with the county election officer of
 9 the home county of the school district within 40 calendar days after the last
 10 publication of this resolution. In the event a petition is filed, the county
 11 election officer shall submit the question of whether the tax levy shall be
 12 authorized to the electors in the school district at an election called for that
 13 purpose or at the next general election, as is specified by the board of
 14 education of the above school district.

15 CERTIFICATE

16 This is to certify that the above resolution was duly adopted by the
 17 board of education of Unified School District No. _____,
 18 County, Kansas, on the ____ day of _____, ____.

19 _____
 20 Clerk of the board of education.

21 (b) All of the blanks in the above resolution shall be appropriately
 22 filled. The blank preceding the word "mills" shall be filled with a specific
 23 number. The resolution shall be published once a week for two consecutive
 24 weeks in a newspaper having general circulation in the school district. If
 25 no petition as specified above is filed in accordance with the provisions of
 26 the resolution, the board of education may make the tax levy specified in
 27 the resolution. If a petition is filed as provided in the resolution, the board
 28 of education may notify the county election officer of the date of an
 29 election to be held to submit the question of whether the tax levy shall be
 30 authorized. If the board of education fails to notify the county election
 31 officer within 60 calendar days after a petition is filed, the resolution shall
 32 be deemed abandoned and no like resolution shall be adopted by the board
 33 of education within the nine months following the first publication of the
 34 resolution.

35 (c) If any school district is unconditionally authorized to make a
 36 capital outlay tax levy, but the board of education of such school district
 37 chooses, in any year, not to make such tax levy, or chooses to make a
 38 smaller tax levy for such purpose, such board of education may do so. If
 39 the board of education of any school district refrains from making a levy in
 40 any one or more years or refrains from making the full levy that it is
 41 authorized to make under this section, and the resolution adopted
 42 hereunder, the authority of such school district to make a capital outlay tax
 43 levy shall not thereby be extended beyond the original period specified in

1 the resolution adopted under this section, nor shall the mill rate of the tax
2 authorized in any succeeding year be increased thereby.

3 (d) Whenever an initial resolution has been adopted under this
4 section, and such resolution specified a lesser mill rate than the rate of two
5 mills authorized by subsection (a) or a lesser number of years than five,
6 the board of education of the school district may adopt a second resolution
7 under the same procedure as is provided in this section, for the initial
8 resolution and subject to the same conditions and for the same purposes as
9 provided in this section, and shall be authorized to make such additional
10 tax levy as is specified in such second resolution for the remainder of the
11 five years succeeding the adoption of the initial resolution. Any such
12 second resolution shall be limited in amount as specified in this section
13 less such amount as has been authorized in the initial resolution, and not to
14 exceed two mills in any one year. In the event that any such resolution is
15 so adopted and the tax levy therein specified is approved under, the
16 amount of bonds that may be issued under K.S.A. 72-53,117, and
17 amendments thereto, may be increased accordingly.

18 (e) The board of education of any school district that has made a tax
19 levy under this section may at any time initiate procedures to renew its
20 authority to make an annual tax levy in the amount and upon the
21 conditions and in the manner specified in this section. Except as otherwise
22 provided by its terms, any initial resolution adopted pursuant to this
23 section shall remain in full force and effect until such time as a second
24 resolution becomes effective, at which time the initial resolution shall
25 become null and void.

26 (f) (1) No ad valorem tax exemption for real or personal property
27 granted after July 1, 2025, by the board of tax appeals pursuant to the
28 provisions of either:

29 (A) Section 13 of article 11 of the constitution of the state of Kansas;
30 or

31 (B) K.S.A. 12-1740 et seq. and 79-201a *Second* or *Twenty-Fourth*,
32 and amendments thereto, for any property purchased with the proceeds of
33 revenue bonds shall be deemed to exempt any such property from the ad
34 valorem property tax levied by a school district pursuant to this section.

35 (2) This subsection shall not apply to exemptions granted by the
36 board of tax appeals when the associated resolution of intent, letter of
37 intent or inducement resolution to issue revenue bonds and grant property
38 tax abatement was approved by any governing body of any city or the
39 board of commissioners of any county or the public hearing required by
40 K.S.A. 79-251, and amendments thereto, was conducted prior to July 1,
41 2025.

42 (g) As used in this section, "unconditionally authorized to make a
43 capital outlay tax levy" means that the school district has adopted a

1 resolution under this section, has published such resolution and either the
 2 resolution was not protested or it was protested and an election has been
 3 held by which the tax levy specified in the resolution was approved.

4 New Sec. 2. Each levy of an annual tax pursuant to K.S.A. 72-53,113,
 5 and amendments thereto, and section 1, and amendments thereto, by a
 6 school district shall be considered part of such school district's aggregate
 7 capital outlay levy and shall be included in the determination of such
 8 school district's capital outlay state aid payment and distribution pursuant
 9 to K.S.A. 72-53,126, and amendments thereto.

10 Sec. 3. K.S.A. 12-1770a is hereby amended to read as follows: 12-
 11 1770a. As used in this act, the following words and phrases shall have the
 12 following meanings unless a different meaning clearly appears from the
 13 content:

14 (a) "Auto race track facility" means: (1) An auto race track facility
 15 and facilities directly related and necessary to the operation of an auto race
 16 track facility, including, but not limited to, grandstands, suites and viewing
 17 areas, concessions, souvenir facilities, catering facilities, visitor and retail
 18 centers, signage and temporary hospitality facilities; but excluding (2)
 19 hotels, motels, restaurants and retail facilities, not directly related to or
 20 necessary to the operation of such facility.

21 (b) "Base year assessed valuation" means the assessed valuation of all
 22 real property within the boundaries of a redevelopment district on the date
 23 the redevelopment district was established.

24 (c) "Blighted area" means an area ~~which~~ *that*:

25 (1) Because of the presence of a majority of the following factors,
 26 substantially impairs or arrests the development and growth of the
 27 municipality or constitutes an economic or social liability or is a menace to
 28 the public health, safety, morals or welfare in its present condition and use:

29 (A) A substantial number of deteriorated or deteriorating structures;
 30 (B) predominance of defective or inadequate street layout;
 31 (C) unsanitary or unsafe conditions;
 32 (D) deterioration of site improvements;
 33 (E) tax or special assessment delinquency exceeding the fair market
 34 value of the real property;

35 (F) defective or unusual conditions of title, including, but not limited
 36 to, cloudy or defective titles, multiple or unknown ownership interests to
 37 the property;

38 (G) improper subdivision or obsolete platting or land uses;

39 (H) the existence of conditions ~~which~~ *that* endanger life or property
 40 by fire or other causes; or

41 (I) conditions ~~which~~ *that* create economic obsolescence;

42 (2) has been identified by any state or federal environmental agency
 43 as being environmentally contaminated to an extent that requires a

1 remedial investigation, feasibility study and remediation or other similar
2 state or federal action;

3 (3) a majority of the property is a 100-year floodplain area; or

4 (4) previously was found by resolution of the governing body to be a
5 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
6 thereto.

7 (d) "Conservation area" means any improved area comprising 15% or
8 less of the land area within the corporate limits of a city ~~in which~~ *where*
9 50% or more of the structures in the area have an age of 35 years or more,
10 ~~which and such~~ area is not yet blighted; but may become a blighted area
11 due to the existence of a combination of two or more of the following
12 factors:

13 (1) Dilapidation, obsolescence or deterioration of the structures;

14 (2) illegal use of individual structures;

15 (3) the presence of structures below minimum code standards;

16 (4) building abandonment;

17 (5) excessive vacancies;

18 (6) overcrowding of structures and community facilities; or

19 (7) inadequate utilities and infrastructure.

20 (e) "De minimus" means an amount less than 15% of the land area
21 within a redevelopment district.

22 (f) "Developer" means any person, firm, corporation, partnership or
23 limited liability company, other than a city and other than an agency,
24 political subdivision or instrumentality of the state or a county when
25 relating to a bioscience development district.

26 (g) "Eligible area" means a blighted area, conservation area,
27 enterprise zone, intermodal transportation area, major tourism area or a
28 major commercial entertainment and tourism area, bioscience
29 development area or a building or buildings ~~which that~~ are 65 years of age
30 or older and any contiguous vacant or condemned lots.

31 (h) "Enterprise zone" means an area within a city that was designated
32 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
33 through 12-17,113, and amendments thereto, prior to its repeal and the
34 conservation, development or redevelopment of the area is necessary to
35 promote the general and economic welfare of such city.

36 (i) "Environmental increment" means the increment determined
37 pursuant to K.S.A. 12-1771a(b), and amendments thereto.

38 (j) "Environmentally contaminated area" means an area of land
39 having contaminated groundwater or soil ~~which is~~ deemed
40 environmentally contaminated by the department of health and
41 environment or the United States environmental protection agency.

42 (k) (1) "Feasibility study" means:

43 (A) A study ~~which that~~ shows whether a redevelopment project's or

1 bioscience development project's benefits and tax increment revenue and
2 other available revenues under K.S.A. 12-1774(a)(1), and amendments
3 thereto, are expected to exceed or be sufficient to pay for the
4 redevelopment or bioscience development project costs; and

5 (B) the effect, if any, the redevelopment project costs or bioscience
6 development project will have on any outstanding special obligation bonds
7 payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and
8 amendments thereto.

9 (2) For a redevelopment project or bioscience project financed by
10 bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
11 amendments thereto, the feasibility study must also include:

12 (A) A statement of how the taxes obtained from the project will
13 contribute significantly to the economic development of the jurisdiction ~~in~~
14 ~~which~~ where the project is located;

15 (B) a statement concerning whether a portion of the local sales and
16 use taxes are pledged to other uses and are unavailable as revenue for the
17 redevelopment project. If a portion of local sales and use taxes is so
18 committed, the applicant shall describe the following:

19 (i) The percentage of sales and use taxes collected that are so
20 committed; and

21 (ii) the date or dates on which the local sales and use taxes pledged to
22 other uses can be pledged for repayment of special obligation bonds;

23 (C) an anticipated principal and interest payment schedule on the
24 bonds;

25 (D) following approval of the redevelopment plan, the feasibility
26 study shall be supplemented to include a copy of the minutes of the
27 governing body meeting or meetings of any city whose bonding authority
28 will be utilized in the project, evidencing that a redevelopment plan has
29 been created, discussed, and adopted by the city in a regularly scheduled
30 open public meeting; and

31 (E) the failure to include all information enumerated in this
32 subsection in the feasibility study for a redevelopment or bioscience
33 project shall not affect the validity of bonds issued pursuant to this act.

34 (l) "Major tourism area" means an area for which the secretary has
35 made a finding *that* the capital improvements costing not less than
36 \$100,000,000 will be built in the state to construct an auto race track
37 facility.

38 (m) "Real property taxes" means all taxes levied on an ad valorem
39 basis upon land and improvements thereon, except that "real property
40 taxes" does not include:

41 (1) Property taxes levied by school districts pursuant to K.S.A. 72-
42 5142, and amendments thereto, when relating to a bioscience development
43 district; ~~and~~

1 (2) property taxes levied by school districts pursuant to K.S.A. 72-
2 53,113, and amendments thereto, when relating to a bioscience
3 development district or a redevelopment district established on or after
4 July 1, 2017; and

5 (3) *property taxes levied by school districts pursuant to section 1,*
6 *and amendments thereto, when relating to a bioscience development*
7 *district or a redevelopment district established on or after July 1, 2025.*

8 (n) "Redevelopment project area" means an area designated by a city
9 within a redevelopment district or, if the redevelopment district is
10 established for an intermodal transportation area, an area designated by a
11 city within or outside of the redevelopment district.

12 (o) "Redevelopment project costs" means: (1) Those costs necessary
13 to implement a redevelopment project plan or a bioscience development
14 project plan, including costs incurred for:

15 (A) Acquisition of property within the redevelopment project area;

16 (B) payment of relocation assistance pursuant to a relocation
17 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

18 (C) site preparation including utility relocations;

19 (D) sanitary and storm sewers and lift stations;

20 (E) drainage conduits, channels, levees and river walk canal facilities;

21 (F) street grading, paving, graveling, macadamizing, curbing,
22 guttering and surfacing;

23 (G) street light fixtures, connection and facilities;

24 (H) underground gas, water, heating and electrical services and
25 connections located within the public right-of-way;

26 (I) sidewalks and pedestrian underpasses or overpasses;

27 (J) drives and driveway approaches located within the public right-of-
28 way;

29 (K) water mains and extensions;

30 (L) plazas and arcades;

31 (M) major multi-sport athletic complex;

32 (N) museum facility;

33 (O) parking facilities including multilevel parking facilities;

34 (P) landscaping and plantings, fountains, shelters, benches,
35 sculptures, lighting, decorations and similar amenities;

36 (Q) related expenses to redevelop and finance the redevelopment
37 project;

38 (R) for purposes of an incubator project, such costs ~~shall~~ also include
39 wet lab equipment, including hoods, lab tables, heavy water equipment
40 and all such other equipment found to be necessary or appropriate for a
41 commercial incubator wet lab facility by the city in its resolution
42 establishing such redevelopment district or a bioscience development
43 district;

1 (S) costs for the acquisition of land for and the construction and
2 installation of ~~publicly-owned~~ *publicly owned* infrastructure improvements
3 ~~which~~ *that* serve an intermodal transportation area and are located outside
4 of a redevelopment district; and

5 (T) costs for infrastructure located outside the redevelopment district
6 but contiguous to any portion of the redevelopment district, and such
7 infrastructure is necessary for the implementation of the redevelopment
8 plan as determined by the city.

9 (2) "Redevelopment project costs" ~~shall~~ *does* not include:

10 (A) Costs incurred in connection with the construction of buildings or
11 other structures to be owned by or leased to a developer, however, ~~the~~
12 "redevelopment project costs" ~~shall include~~ *includes* costs incurred in
13 connection with the construction of buildings or other structures to be
14 owned or leased to a developer ~~which~~ *that* includes an auto race track
15 facility or a multilevel parking facility.

16 (B) In addition, for a redevelopment project financed with special
17 obligation bonds payable from the revenues described in K.S.A. 12-
18 1774(a)(1)(D), and amendments thereto, "redevelopment project costs"
19 ~~shall~~ *does* not include:

20 (i) Fees and commissions paid to developers, real estate agents,
21 financial advisors or any other consultants who represent the developers or
22 any other businesses considering locating in or located in a redevelopment
23 district;

24 (ii) salaries for local government employees;

25 (iii) moving expenses for employees of the businesses locating within
26 the redevelopment district;

27 (iv) property taxes for businesses that locate in the redevelopment
28 district;

29 (v) lobbying costs;

30 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-
31 1742, and amendments thereto;

32 (vii) any personal property, as defined in K.S.A. 79-102, and
33 amendments thereto; and

34 (viii) travel, entertainment and hospitality.

35 (p) "Redevelopment district" means the specific area declared to be
36 an eligible area ~~in which~~ *where* the city may develop one or more
37 redevelopment projects.

38 (q) "Redevelopment district plan" or "district plan" means the
39 preliminary plan that identifies all of the proposed redevelopment project
40 areas and identifies in a general manner all of the buildings, facilities and
41 improvements in each that are proposed to be constructed or improved in
42 each redevelopment project area or, if the redevelopment district is
43 established for an intermodal transportation area, in or outside of the

1 redevelopment district.

2 (r) "Redevelopment project" means the approved project to
3 implement a project plan for the development of the established
4 redevelopment district.

5 (s) "Redevelopment project plan" means the plan adopted by a
6 municipality for the development of a redevelopment project or projects
7 ~~which~~ that conforms with K.S.A. 12-1772, and amendments thereto, in a
8 redevelopment district.

9 (t) "Substantial change" means, as applicable, a change wherein the
10 proposed plan or plans differ substantially from the intended purpose for
11 which the district plan or project plan was approved.

12 (u) "Tax increment" means that amount of real property taxes
13 collected from real property located within the redevelopment district that
14 is in excess of the amount of real property taxes ~~which~~ is collected from
15 the base year assessed valuation.

16 (v) "Taxing subdivision" means the county, city, unified school
17 district and any other taxing subdivision levying real property taxes, the
18 territory or jurisdiction of which includes any currently existing or
19 subsequently created redevelopment district, including a bioscience
20 development district.

21 (w) "River walk canal facilities" means a canal and related water
22 features ~~which~~ that flows through a redevelopment district and facilities
23 related or contiguous thereto, including, but not limited to, pedestrian
24 walkways and promenades, landscaping and parking facilities.

25 (x) "Major commercial entertainment and tourism area" may include,
26 but not be limited to, a major multi-sport athletic complex.

27 (y) "Major multi-sport athletic complex" means an athletic complex
28 that is utilized for the training of athletes, the practice of athletic teams, the
29 playing of athletic games or the hosting of events. Such project may
30 include playing fields, parking lots and other developments, including
31 grandstands, suites and viewing areas, concessions, souvenir facilities,
32 catering facilities, visitor centers, signage and temporary hospitality
33 facilities, but excluding hotels, motels, restaurants and retail facilities, not
34 directly related to or necessary to the operation of such facility.

35 (z) "Bioscience" means the use of compositions, methods and
36 organisms in cellular and molecular research, development and
37 manufacturing processes for such diverse areas as pharmaceuticals,
38 medical therapeutics, medical diagnostics, medical devices, medical
39 instruments, biochemistry, microbiology, veterinary medicine, plant
40 biology, agriculture, industrial environmental and homeland security
41 applications of bioscience and future developments in the biosciences.
42 "Bioscience" includes biotechnology and life sciences.

43 (aa) "Bioscience development area" means an area that:

- 1 (1) Is or shall be owned, operated, or leased by, or otherwise under
2 the control of the Kansas bioscience authority;
- 3 (2) is or shall be used and maintained by a bioscience company; or
- 4 (3) includes a bioscience facility.
- 5 (bb) "Bioscience development district" means the specific area,
6 created under K.S.A. 12-1771, and amendments thereto, where one or
7 more bioscience development projects may be undertaken.
- 8 (cc) "Bioscience development project" means an approved project to
9 implement a project plan in a bioscience development district.
- 10 (dd) "Bioscience development project plan" means the plan adopted
11 by the authority for a bioscience development project pursuant to K.S.A.
12 12-1772, and amendments thereto, in a bioscience development district.
- 13 (ee) "Bioscience facility" means real property and all improvements
14 thereof used to conduct bioscience research, including, without limitation,
15 laboratory space, incubator space, office space and any and all facilities
16 directly related and necessary to the operation of a bioscience facility.
- 17 (ff) "Bioscience project area" means an area designated by the
18 authority within a bioscience development district.
- 19 (gg) "Biotechnology" means those fields focusing on technological
20 developments in such areas as molecular biology, genetic engineering,
21 genomics, proteomics, physiomics, nanotechnology, biodefense,
22 biocomputing, bioinformatics and future developments associated with
23 biotechnology.
- 24 (hh) "Board" means the board of directors of the Kansas bioscience
25 authority.
- 26 (ii) "Life sciences" means the areas of medical sciences,
27 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
28 ecology, toxicology, organic chemistry, physical chemistry, physiology and
29 any future advances associated with life sciences.
- 30 (jj) "Revenue increase" means that amount of real property taxes
31 collected from real property located within the bioscience development
32 district that is in excess of the amount of real property taxes ~~which is~~
33 collected from the base year assessed valuation.
- 34 (kk) "Taxpayer" means a person, corporation, limited liability
35 company, S corporation, partnership, registered limited liability
36 partnership, foundation, association, nonprofit entity, sole proprietorship,
37 business trust, group or other entity that is subject to the Kansas income
38 tax act, K.S.A. 79-3201 et seq., and amendments thereto.
- 39 (ll) "Floodplain increment" means the increment determined pursuant
40 to K.S.A. 12-1771e(b), and amendments thereto.
- 41 (mm) "100-year floodplain area" means an area of land existing in a
42 100-year floodplain as determined by either an engineering study of a
43 Kansas certified engineer or by the United States federal emergency

1 management agency.

2 (nn) "Major motorsports complex" means a complex in Shawnee
3 county that is utilized for the hosting of competitions involving motor
4 vehicles, including, but not limited to, automobiles, motorcycles or other
5 self-propelled vehicles other than a motorized bicycle or motorized
6 wheelchair. Such project may include racetracks, all facilities directly
7 related and necessary to the operation of a motorsports complex,
8 including, but not limited to, parking lots, grandstands, suites and viewing
9 areas, concessions, souvenir facilities, catering facilities, visitor and retail
10 centers, signage and temporary hospitality facilities, but excluding hotels,
11 motels, restaurants and retail facilities not directly related to or necessary
12 to the operation of such facility.

13 (oo) "Intermodal transportation area" means an area of not less than
14 800 acres to be developed primarily to handle the transfer, storage and
15 distribution of freight through railway and trucking operations.

16 (pp) "Museum facility" means a separate ~~newly-constructed~~ *newly*
17 *constructed* museum building and facilities directly related and necessary
18 to the operation thereof, including gift shops and restaurant facilities, but
19 excluding hotels, motels, restaurants and retail facilities not directly related
20 to or necessary to the operation of such facility. The museum facility shall
21 be owned by the state, a city, county, other political subdivision of the state
22 or a ~~non-profit~~ *nonprofit* corporation, shall be managed by the state, a city,
23 county, other political subdivision of the state or a ~~non-profit~~ *nonprofit*
24 corporation and may not be leased to any developer and shall not be
25 located within any retail or commercial building.

26 Sec. 4. K.S.A. 72-53,126 is hereby amended to read as follows: 72-
27 53,126. (a) There is hereby established in the state treasury the school
28 district capital outlay state aid fund. Such fund shall consist of all moneys
29 transferred thereto under the provisions of subsection (d).

30 (b) Each school district that levies a tax pursuant to K.S.A. 72-53,113
31 et seq., and amendments thereto, *or section 1, and amendments thereto*,
32 shall receive payment from the school district capital outlay state aid fund
33 in an amount determined by the state board of education as provided in
34 this section.

35 (c) The state board shall:

36 (1) Determine the amount of the assessed valuation per student of
37 each school district in the state for the preceding school year and round
38 such amount to the nearest \$1,000. The rounded amount is the assessed
39 valuation per student of a school district for the purposes of this
40 subsection;

41 (2) determine the median assessed valuation per student of all school
42 districts;

43 (3) prepare a schedule of dollar amounts using the amount of the

1 median assessed valuation per student of all school districts as the point of
2 beginning. The schedule of dollar amounts shall range upward in equal
3 \$1,000 intervals from the point of beginning to and including an amount
4 that is equal to the amount of the assessed valuation per student of the
5 school district with the highest assessed valuation per student of all school
6 districts and shall range downward in equal \$1,000 intervals from the point
7 of beginning to and including an amount that is equal to the amount of the
8 assessed valuation per student of the school district with the lowest
9 assessed valuation per student of all school districts;

10 (4) determine a state aid percentage factor for each school district by
11 assigning a state aid computation percentage to the amount of the median
12 assessed valuation per student shown on the schedule, decreasing the state
13 aid computation percentage assigned to the amount of the median assessed
14 valuation per student by one percentage point for each \$1,000 interval
15 above the amount of the median assessed valuation per student; and
16 increasing the state aid computation percentage assigned to the amount of
17 the median assessed valuation per student by one percentage point for each
18 \$1,000 interval below the amount of the median assessed valuation per
19 student. The state aid percentage factor of a school district is the
20 percentage assigned to the schedule amount that is equal to the amount of
21 the assessed valuation per student of the school district, except that the
22 state aid percentage factor of a school district shall not exceed 100%. The
23 state aid computation percentage is 25%;

24 (5) determine the *aggregate* amount levied by each school district
25 pursuant to K.S.A. 72-53,113 et seq., and amendments thereto, *and section*
26 *1, and amendments thereto*; and

27 (6) multiply the amount computed under subsection (c)(5), but not to
28 exceed ~~eight~~ 10 mills, by the applicable state aid percentage factor. The
29 resulting product is the amount of payment the school district is to receive
30 from the school district capital outlay state aid fund in the school year.

31 (d) The state board shall certify to the director of accounts and reports
32 the amount of school district capital outlay state aid determined under the
33 provisions of subsection (c), and an amount equal thereto shall be
34 transferred by the director from the state general fund to the school district
35 capital outlay state aid fund for distribution to school districts. All transfers
36 made in accordance with the provisions of this subsection shall be
37 considered to be demand transfers from the state general fund.

38 (e) Payments from the school district capital outlay state aid fund
39 shall be distributed to school districts at times determined by the state
40 board of education. The state board of education shall certify to the
41 director of accounts and reports the amount due each school district, and
42 the director of accounts and reports shall draw a warrant on the state
43 treasury payable to the treasurer of the school district. Upon receipt of the

1 warrant, the treasurer of the school district shall credit the amount thereof
2 to the capital outlay fund of the school district to be used for the purposes
3 of such fund.

4 Sec. 5. K.S.A. 12-1770a and 72-53,126 are hereby repealed.

5 Sec. 6. This act shall take effect and be in force from and after its
6 publication in the statute book.