

SENATE BILL No. 35

By Committee on Assessment and Taxation

1-16

1 AN ACT concerning property taxation; relating to tax levies; discontinuing
2 the state tax levies for the Kansas educational building fund and the
3 state institutions building fund; providing financing therefor from the
4 state general fund; amending K.S.A. 76-6b01, 76-6b02, 76-6b04 and
5 76-6b11 and K.S.A. 2024 Supp. 76-6b05 and repealing the existing
6 sections.

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

9 Section 1. K.S.A. 76-6b01 is hereby amended to read as follows: 76-
10 6b01. (a) There is hereby levied ~~an annual permanent state tax in the year~~
11 ~~2025 a state tax of 1 mill~~ upon all tangible property in this state ~~which that~~
12 ~~is subject to ad valorem taxation. The tax levy shall be 6 mill in the year~~
13 ~~2003 and 1 mill in the year 2004 and each year thereafter until changed by~~
14 ~~statute.~~ Such tax levy shall be in addition to all other state tax levies
15 authorized by law. Such tax levy shall be for the use and benefit of the
16 state institutions of higher education. The proceeds of such tax levy shall
17 be apportioned in accordance with this act.

18 (b) The county treasurer of each county shall make the proceeds of
19 the tax levy provided for in this section available to the state treasurer
20 immediately upon collection. When available the state treasurer shall
21 withdraw from each county the proceeds of the taxes raised by such tax
22 levy. Upon such withdrawal the state treasurer shall deposit the same in the
23 state treasury and shall credit the same as provided in K.S.A. 76-6b02, *and*
24 *amendments thereto.*

25 Sec. 2. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
26 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-6b01,
27 and amendments thereto, *and pursuant to subsection (c)* shall be credited
28 to the Kansas educational building fund to be used for the construction,
29 reconstruction, equipment and repair of buildings and grounds at the state
30 educational institutions under the control and supervision of the state
31 board of regents and for payment of debt service on revenue bonds issued
32 to finance such projects, all subject to appropriation by the legislature.

33 (b) Subject to any restrictions imposed by appropriation acts, the state
34 board of regents is authorized to pledge funds appropriated to it from the
35 Kansas educational building fund or from any other source and transferred
36 to a special revenue fund of the state board of regents specified by statute

1 for the payment of debt service on revenue bonds issued for the purposes
2 set forth in subsection (a). Subject to any restrictions imposed by
3 appropriation acts, the state board of regents is also authorized to pledge
4 any funds appropriated to it from the Kansas educational building fund or
5 from any other source and transferred to a special revenue fund of the state
6 board of regents specified by statute as a priority for the payment of debt
7 service on such revenue bonds. Neither the state or the state board of
8 regents shall have the power to pledge the faith and credit or taxing power
9 of the state of Kansas for such purposes and any payment by the state
10 board of regents for such purposes shall be subject to and dependent on
11 appropriations being made from time to time by the legislature. Any
12 obligation of the state board of regents for payment of debt service on
13 revenue bonds and any such revenue bonds issued for the purposes set
14 forth in subsection (a) shall not be considered a debt or obligation of the
15 state for the purpose of section 6 of article 11 of the constitution of the
16 state of Kansas.

17 *(c) On July 1, 2026, or as soon thereafter as moneys are available,*
18 ~~\$50,000,000~~ **\$56,000,000** *shall be transferred by the director of accounts*
19 *and reports from the state general fund to the Kansas educational building*
20 *fund. On July 1, 2027, and on July 1 each year thereafter, or as soon*
21 *thereafter as moneys are available, an amount equal to the amount*
22 *pursuant to this subsection for the immediately preceding year plus ~~2%~~ of*
23 ~~\$50,000,000~~ **a percentage of such amount for the preceding year** *shall be*
24 *transferred by the director of accounts and reports from the state general*
25 *fund to the Kansas educational building fund. Such percentage shall be*
26 *the average percentage change in statewide residential valuation of all*
27 *residential real property for the preceding 10 years and shall not be less*
28 *than zero. The director of property valuation, in consultation with the*
29 *director of legislative research and the director of the budget, shall*
30 *determine such percentage and the amount of moneys that are*
31 *authorized to be transferred pursuant to this subsection for such fiscal*
32 *year. On or before February 1, 2027, and on or before February 1 of*
33 *each year thereafter, the director of property valuation shall certify the*
34 *amount of each transfer to the director of accounts and reports and*
35 *transmit a copy of each such certification to the director of legislative*
36 *research and the director of the budget.*

37 Sec. 3. K.S.A. 76-6b04 is hereby amended to read as follows: 76-
38 6b04. (a) There is hereby levied ~~an annual permanent state tax in the year~~
39 ~~2025 a state tax of 0.5 mill~~ upon all tangible property in this state ~~which~~
40 ~~that is subject to ad valorem taxation. The tax levy shall be .3 mill in the~~
41 ~~year 2003 and .5 mill in the year 2004 and each year thereafter until~~
42 ~~changed by statute. The tax levy shall be in addition to all other state tax~~
43 ~~levies authorized by law. The tax levy shall be for the use and benefit of~~

1 state institutions caring for persons who are mentally ill, retarded, visually
2 handicapped, with a handicapping hearing loss or tubercular or state
3 institutions caring for children who are deprived, wayward, miscreant,
4 delinquent, children in need of care or juvenile offenders and who are in
5 need of residential care or treatment, or institutions designed primarily to
6 provide vocational rehabilitation for handicapped persons. As used in this
7 section, "state institutions" shall include, but not be limited to, those
8 institutions under the authority of the commissioner of juvenile justice.
9 The proceeds of such tax levy shall be apportioned in accordance with this
10 act.

11 (b) The county treasurer of each county shall make the proceeds of
12 the tax levy provided for in this section available to the state treasurer
13 immediately upon collection. When available, the state treasurer shall
14 withdraw from each county the proceeds of the taxes raised by such tax
15 levy. Upon such withdrawal the state treasurer shall deposit the same in the
16 state treasury and shall credit the same as provided in K.S.A. 76-6b05, and
17 amendments thereto.

18 Sec. 4. K.S.A. 2024 Supp. 76-6b05 is hereby amended to read as
19 follows: 76-6b05. (a) All moneys received by the state treasurer under
20 K.S.A. 76-6b04, and amendments thereto, *and pursuant to subsection (e)*
21 shall be credited to the state institutions building fund, which is hereby
22 created in the state treasury, to be used for the construction, reconstruction,
23 equipment and repair of buildings and grounds at institutions specified in
24 K.S.A. 76-6b04, and amendments thereto, and for payment of debt service
25 on revenue bonds issued to finance such projects, all subject to
26 appropriation by the legislature.

27 (b) Subject to any restrictions imposed by appropriation acts, the
28 juvenile justice authority is authorized to pledge funds appropriated to it
29 from the state institutions building fund or from any other source and
30 transferred to a special revenue fund of the juvenile justice authority
31 specified by statute for the payment of debt service on revenue bonds
32 issued for the purposes set forth in subsection (a). Subject to any
33 restrictions imposed by appropriation acts, the juvenile justice authority is
34 also authorized to pledge any funds appropriated to it from the state
35 institutions building fund or from any other source and transferred to a
36 special revenue fund of the juvenile justice authority specified by statute as
37 a priority for the payment of debt service on such revenue bonds. Neither
38 the state or the juvenile justice authority shall have the power to pledge the
39 faith and credit or taxing power of the state of Kansas for such purposes
40 and any payment by the juvenile justice authority for such purposes shall
41 be subject to and dependent on appropriations being made from time to
42 time by the legislature. Any obligation of the juvenile justice authority for
43 payment of debt service on revenue bonds and any such revenue bonds

1 issued for the purposes set forth in subsection (a) shall not be considered a
2 debt or obligation of the state for the purpose of section 6 of article 11 of
3 the constitution of the state of Kansas.

4 (c) Subject to any restrictions imposed by appropriation acts, the
5 Kansas department for aging and disability services is authorized to pledge
6 funds appropriated to it from the state institutions building fund or from
7 any other source and transferred to a special revenue fund of the Kansas
8 department for aging and disability services specified by statute for the
9 payment of debt service on revenue bonds issued for a new state security
10 hospital on the Larned state hospital grounds or any other capital
11 improvement projects at any other institution or facility of the Kansas
12 department for aging and disability services. Subject to any restrictions
13 imposed by appropriation acts, the Kansas department for aging and
14 disability services is also authorized to pledge any funds appropriated to it
15 from the state institutions building fund or from any other source and
16 transferred to a special revenue fund of the Kansas department for aging
17 and disability services specified by statute as a priority for the payment of
18 debt service on such revenue bonds. Neither the state or the Kansas
19 department for aging and disability services shall have the power to pledge
20 the faith and credit or taxing power of the state of Kansas for such
21 purposes and any payment by the Kansas department for aging and
22 disability services for such purposes shall be subject to and dependent on
23 appropriations being made from time to time by the legislature. Any
24 obligation of the Kansas department for aging and disability services for
25 payment of debt service on revenue bonds and any such revenue bonds
26 issued for a new state security hospital on the Larned state hospital
27 grounds or any other capital improvement projects at any other institution
28 or facility of the Kansas department for aging and disability services shall
29 not be considered a debt or obligation of the state for the purpose of
30 section 6 of article 11 of the constitution of the state of Kansas.

31 (d) Subject to any restrictions imposed by appropriation acts, the
32 director of the Kansas office of veterans services is authorized to pledge
33 funds appropriated to it from the state institutions building fund or from
34 any other source and transferred to a special revenue fund of the Kansas
35 office of veterans services specified by statute for the payment of debt
36 service on revenue bonds issued for veterans' home HVAC system
37 replacement. Subject to any restrictions imposed by appropriation acts, the
38 director of the Kansas office of veterans services is also authorized to
39 pledge any funds appropriated to it from the state institutions building fund
40 or from any other source and transferred to a special revenue fund of the
41 Kansas office of veterans services specified by statute as a priority for the
42 payment of debt service on such revenue bonds. Neither the state nor the
43 director of the Kansas office of veterans services shall have the power to

1 pledge the faith and credit or taxing power of the state of Kansas for such
2 purposes and any payment by the Kansas office of veterans services for
3 such purposes shall be subject to and dependent on appropriations being
4 made from time to time by the legislature. Any obligation of the Kansas
5 office of veterans services for payment of debt service on revenue bonds
6 and any such revenue bonds issued for veterans' home HVAC system
7 replacement shall not be considered a debt or obligation of the state for the
8 purpose of section 6 of article 11 of the constitution of the state of Kansas.

9 (e) *On July 1, 2026, or as soon thereafter as moneys are available,*
10 *\$25,000,000 shall be transferred by the director of accounts and reports*
11 *from the state general fund to the state institutions building fund. On July*
12 *1, 2027, and on July 1 each year thereafter, or as soon thereafter as*
13 *moneys are available, an amount equal to the amount pursuant to this*
14 *subsection for the immediately preceding year plus 2% of \$25,000,000*
15 *shall be transferred by the director of accounts and reports from the state*
16 *general fund to the state institutions building fund.*

17 Sec. 5. K.S.A. 76-6b11 is hereby amended to read as follows: 76-
18 6b11. (a) ~~Except as provided in subsection (e),~~ On July 1 of each year, the
19 director of accounts and reports shall record a debit to the state treasurer's
20 receivables for the Kansas educational building fund, the state institutions
21 building fund and the state general fund and shall record a corresponding
22 credit to each such fund in an amount equal to 95% of the amount credited
23 respectively to each such fund during the immediately preceding fiscal
24 year, except that such amount shall be proportionally adjusted with respect
25 to any such fund in any fiscal year for any change in the tax levy rate for
26 any such fund.

27 (b) All taxes received by the state treasurer under K.S.A. 76-6b01-
28 ~~and 76-6b04 and section 15 [L. 2003, ch. 146, § 15],~~ and amendments
29 thereto, ~~and the provisions of section 15 of chapter 146 of the 2003~~
30 *Session Laws of Kansas* during the current fiscal year shall be deposited in
31 the state treasury to the credit of the Kansas educational building fund, the
32 state institutions building fund and the state general fund, respectively, and
33 shall reduce the amount debited and credited to such funds under
34 subsection (a).

35 (c) On June 30 of each year, the director of accounts and reports shall
36 adjust the amounts debited and credited to the state treasurer's receivables
37 and to the Kansas educational building fund, the state institutions building
38 fund and the state general fund pursuant to this section, to reflect the taxes
39 actually received by the state treasurer and deposited during the fiscal year
40 in the state treasury to the credit of each such fund.

41 (d) The director of accounts and reports shall notify the state treasurer
42 of all amounts debited and credited to the Kansas educational building
43 fund, the state institutions building fund and the state general fund

1 pursuant to this section and all reductions and adjustments thereto made
2 pursuant to this section. The state treasurer shall enter all such amounts
3 debited and credited and shall make reductions and adjustments thereto on
4 the books and records kept and maintained for such funds by the state
5 treasurer in accordance with the notice thereof.

6 ~~(e) On October 1, 2003, the director of accounts and reports shall~~
7 ~~make such adjustments and amendments as may be required to reflect and~~
8 ~~account for the property tax imposed by K.S.A. 79-2976 as if such tax had~~
9 ~~been in effect on July 1, 2003. The provisions of this section shall expire on~~
10 ~~June 30, 2026.~~

11 Sec. 6. K.S.A. 76-6b01, 76-6b02, 76-6b04 and 76-6b11 and K.S.A.
12 2024 Supp. 76-6b05 are hereby repealed.

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