

Senate Substitute for HOUSE BILL No. 2241

By Committee on Ways and Means

3-19

1 AN ACT concerning taxation; relating to the local ad valorem tax
2 reduction fund; distribution to political subdivisions; amending K.S.A.
3 79-2961 and K.S.A. 2011 Supp. 79-2959 and repealing the existing
4 sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2011 Supp. 79-2959 is hereby amended to read as
8 follows: 79-2959. (a) There is hereby created the local ad valorem tax
9 reduction fund. All moneys transferred or credited to such fund under the
10 provisions of this act or any other law shall be apportioned and distributed
11 in the manner provided herein.

12 (b) On January 15 and on July 15 of each year, the director of
13 accounts and reports shall make transfers in equal amounts which in the
14 aggregate equal 3.63% of the total retail sales and compensating taxes
15 credited to the state general fund pursuant to articles 36 and 37 of chapter
16 79 of Kansas Statutes Annotated, and ~~acts amendatory thereof and~~
17 ~~supplemental amendments~~ thereto, during the preceding calendar year
18 from the state general fund to the local ad valorem tax reduction fund,
19 except that: ~~(1) No moneys shall be transferred from the state general fund~~
20 ~~to the local ad valorem tax reduction fund during state fiscal years 2009,~~
21 ~~2010, 2011, 2012, and 2013, and (2) the amount of the transfer on each~~
22 ~~such date shall be \$13,500,000 during fiscal year 2014, \$20,250,000~~
23 ~~during fiscal year 2015, and \$27,000,000 during fiscal year 2016~~
24 ~~\$22,500,000 during fiscal years 2013, 2014, 2015 and 2016~~ and all fiscal
25 years thereafter. All such transfers are subject to reduction under K.S.A.
26 75-6704, and amendments thereto. All transfers made in accordance with
27 the provisions of this section shall be considered to be demand transfers
28 from the state general fund, ~~except that all such transfers during fiscal year~~
29 ~~2014 shall be considered to be revenue transfers from the state general~~
30 ~~fund.~~

31 (c) The state treasurer shall apportion and pay the amounts transferred
32 under subsection (b) to the several county treasurers on January 15 and on
33 July 15 in each year as follows: (1) Sixty-five percent of the amount to be
34 distributed shall be apportioned on the basis of the population figures of
35 the counties certified to the secretary of state pursuant to K.S.A. 11-201,
36 and amendments thereto, on July 1 of the preceding year; and (2) thirty-

1 five percent of such amount shall be apportioned on the basis of the
2 equalized assessed tangible valuations on the tax rolls of the counties on
3 November 1 of the preceding year as certified by the director of property
4 valuation.

5 Sec. 2. K.S.A. 79-2961 is hereby amended to read as follows: 79-
6 2961. (a) The county clerk shall certify to the county treasurer when
7 budgets are made pursuant to K.S.A. 79-2960, and amendments thereto,
8 and tax levies are filed with the county clerk. Prior to crediting the proper
9 amounts under subsection (c) and except as provided in subsection (d), the
10 county treasurer shall divide the amount paid by the state treasurer to the
11 county treasurer among the county and all other taxing subdivisions of the
12 county except school districts and any incorporated city within which any
13 portion of the Fort Riley military reservation is located and which would
14 otherwise be a participant in the Riley county allocation, which comply
15 with the requirements of this act, in the proportion that the product of the
16 last preceding total tangible tax rate of each subdivision, times its
17 equalized tangible assessed valuation for the preceding year, is to the sum
18 of such products of all the tangible tax-levying political subdivisions,
19 except school districts and any incorporated city within which any portion
20 of the Fort Riley military reservation is located and which would otherwise
21 be a participant in the Riley county allocation, exclusive of the levy by the
22 county for any deficiency for state purposes.

23 (b) No political subdivision shall be entitled to participate in the
24 distribution of any money appropriated to carry out K.S.A. 79-2960, and
25 amendments thereto, and this section unless and until such political
26 subdivision has adopted and certified a budget for the ensuing year which
27 shows as a separate item the amount of the distribution to one or more tax
28 levy funds of general application within such subdivision except bond and
29 interest funds and has certified a tax levy for each such fund that will
30 produce a sum of money less than the amount which a maximum levy
31 would produce for each such fund, in an amount equal to or in excess of
32 the amount of such distribution. The budget of each political subdivision
33 also shall show that the aggregate levies made by such tangible property
34 tax-levying political subdivisions will produce a sum less than the amount
35 which the aggregate levy would produce in an amount equal to or in
36 excess of the aggregate amount of the budget items of such distribution
37 shown in the aggregate levy that property tax revenues from the preceding
38 year have been reduced by an amount equal to 80% of the amount
39 received by the political subdivision from the local ad valorem tax
40 reduction fund.

41 (c) In crediting the amount that has been divided pursuant to
42 subsection (a) or subsection (d), the county treasurer shall proceed as
43 follows: Upon receipt of the payment from the state treasurer each year,

1 credit the appropriate fund or funds of each political subdivision
2 complying with the provisions of this act with its proportionate share of
3 such payment and the county treasurer shall notify such political
4 subdivision of the amounts so credited. This section and K.S.A. 79-2960,
5 and amendments thereto, shall not apply to school districts.

6 (d) The amount paid by the state treasurer to the county treasurer of
7 each county under subsection (d) of K.S.A. 79-2959, and amendments
8 thereto, shall be divided only among the one or more community colleges
9 or municipal universities, or both, which received amounts under this
10 section from the payment made from the local ad valorem tax reduction
11 fund on January 15, 1983. The amount received by each such community
12 college or municipal university under this subsection shall bear the same
13 proportion to the total amount paid to such county under subsection (d) of
14 K.S.A. 79-2959, and amendments thereto, as the amount received by such
15 community college or municipal university under this section from the
16 payment made to such county from the local ad valorem tax reduction
17 fund on January 15, 1983, bears to the total amount received by all such
18 community colleges and municipal universities under this section from
19 such payment.

20 Sec. 3. K.S.A. 79-2961 and K.S.A. 2011 Supp. 79-2959 are hereby
21 repealed.

22 Sec. 4. This act shall take effect and be in force from and after its
23 publication in the statute book.