

HOUSE BILL No. 2609

By Committee on Taxation

2-2

1 AN ACT concerning property tax; transferring moneys to the local ad
2 valorem tax reduction fund{, **distribution to political subdivisions**};
3 relating to revenues produced by property tax levies; mill levy
4 adjustments; resolutions, publication requirements;{**time for payment**
5 **of taxes, persons 65 years of age and older**;} amending K.S.A. {79-
6 **2961**} {and K.S.A.} 2011 Supp. {79-2004, 79-2004a,} 79-2925b and
7 79-2959 and repealing the existing section sections.
8

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

10 {**Section 1. K.S.A. 2011 Supp. 79-2004 is hereby amended to read**
11 **as follows: 79-2004. (a) Except as provided by K.S.A. 79-4521, and**
12 *amendments thereto, any person charged with real property taxes on*
13 **the tax books in the hands of the county treasurer may pay, at such**
14 **person's option, the full amount thereof on or before December 20 of**
15 **each year, or 1/2 thereof on or before December 20 and the remaining**
16 **1/2 on or before May 10 next ensuing; or for any person who is 65 years**
17 *of age or older on or before December of any year and who is charged*
18 *with real property taxes on such person's principal place of residence may*
19 *pay, at such person's option, the full amount thereon on or before*
20 *December 20 of each year; or 1/2 thereof on or before May 10 next*
21 *ensuing, or 1/4 thereof on or before December 20, 1/4 on or before*
22 *February 10 next ensuing, 1/4 on or before April 10 next ensuing and the*
23 *remaining 1/4 on or before May 10 next ensuing. If the full amount of the*
24 **real property taxes listed upon any tax statement is \$10 or less the**
25 **entire amount of such tax shall be due and payable on or before**
26 **December 20.**

27 **In case the first half of the real property taxes remains unpaid after**
28 **December 20, the first half of the tax shall draw interest at the rate**
29 **prescribed by K.S.A. 79-2968, and amendments thereto, plus two**
30 **percentage points, per annum and may be paid at any time prior to**
31 **May 10 following by paying 1/2 of the tax together with interest at**
32 **such rate from December 20 to date of payment. In case any of the 1/4**
33 *payments of real property taxes remain unpaid by a person 65 years of age*
34 *or older as described in subsection (a) after December 20, February 10 or*

1 *April 10, such amount of unpaid taxes shall draw interest at the rate*
2 *prescribed by K.S.A. 79-2968, and amendments thereto, plus two*
3 *percentage points, per annum and may be paid at any time prior to May*
4 *10 following by paying such amount of unpaid taxes together with interest*
5 *at such rate from the date of the missed payment to the date of payment.*

6 **Subject to the provisions of subsection (d), all real property taxes of**
7 **the preceding year and accrued interest thereon which remain due**
8 **and unpaid on May 11 shall accrue interest at the rate prescribed by**
9 **K.S.A. 79-2968, and amendments thereto, plus two percentage points,**
10 **per annum from May 10 until paid, or until the real property is sold**
11 **for taxes by foreclosure as provided by law. Except as provided by**
12 **subsection (c), all interest herein provided shall be credited to the**
13 **county general fund, and whenever any such interest is paid the**
14 **county treasurer shall enter the amount of interest so paid on the tax**
15 **rolls in the proper column and account for such sum.**

16 **(b) Whenever any date prescribed in subsection (a) for the**
17 **payment of real property taxes occurs on a Saturday or Sunday, such**
18 **date for payment shall be extended until the next-following regular**
19 **business day of the office of the county treasurer.**

20 **(c) The board of county commissioners may enter into an**
21 **agreement with the governing body of any city located in the county**
22 **for the distribution of part or all of the interest paid on special**
23 **assessments levied by the city which remain unpaid.**

24 **(d) All real property taxes of any year past due and unpaid on the**
25 **effective date of this section and interest accrued thereon pursuant to**
26 **this section prior to its amendment by this act shall draw interest at**
27 **the rate prescribed by K.S.A. 79-2968, and amendments thereto, plus**
28 **two percentage points, per annum from the effective date of this**
29 **section until paid or until the real property is sold for taxes by**
30 **foreclosure as provided by law.**

31 **Sec. 2. K.S.A. 2011 Supp. 79-2004a is hereby amended to read as**
32 **follows: 79-2004a. (a) Any taxpayer charged with personal property**
33 **taxes on the tax books in the hands of the county treasurer may at**
34 **such taxpayer's option pay the full amount thereof on or before**
35 **December 20 of each year, or 1/2 thereof on or before December 20**
36 **and the remaining 1/2 thereof on or before May 10 next ensuing; any**
37 **taxpayer who is 65 years of age or older on or before December of any**
38 **year and who is charged with personal property taxes on personal**
39 **property which is such taxpayer's principal place of residence may pay, at**
40 **the taxpayer's option, the full amount thereof on or before December 20,**
41 **or 1/2 thereof on or before December 20 and the remaining 1/2 thereof on**
42 **or before May 10 next ensuing, or 1/4 thereof on or before December 20,**
43 **1/4 thereof on or before February 10 next ensuing, 1/4 thereof on or before**

1 *April 10 next ensuing and the remaining 1/4 thereof on or before May 10*
2 *next ensuing; except that:—(1)—all unpaid personal property taxes of the*
3 *preceding year must first be paid;—and—(2)—if the full amount of the*
4 *personal property taxes listed upon any tax statement shall be \$10 or*
5 *less the entire amount of such taxes shall be due and payable on or*
6 *before December 20.*

7 (2) **In the event anyone charged with personal property taxes**
8 **shall fail to pay the first half amount due thereof on or before December**
9 **20 date of payment, the full amount thereof shall become immediately**
10 **due and payable.**

11 (3) **In case the first half of the taxes remains unpaid after**
12 **December 20, the entire and full amount of personal property taxes**
13 **charged shall draw interest at the rate prescribed by K.S.A. 79-2968,**
14 **and amendments thereto, plus two percentage points, per annum from**
15 **December 20 to date of payment.** *In case any of the 1/4 payments of*
16 *personal property taxes remain unpaid by a person 65 years of age or*
17 *older as described in this subsection after December 20, February 10 or*
18 *April 10, such amount of unpaid taxes shall draw interest at the rate*
19 *prescribed by K.S.A. 79-2968, and amendments thereto, plus two*
20 *percentage points, per annum and may be paid at any time prior to May*
21 *10 following by paying such amount of unpaid taxes together with interest*
22 *at such rate from the date of the missed payment to the date of payment.*
23 **Subject to the provisions of subsection (c) all personal property taxes**
24 **of the preceding year and interest thereon which shall remain due and**
25 **unpaid on May 11 shall draw interest at the rate prescribed by K.S.A.**
26 **79-2968, and amendments thereto, plus two percentage points, per**
27 **annum from May 10 until paid. All interest herein provided for shall**
28 **be credited to the county general fund and retained by the county, and**
29 **whenever any such interest is paid, the county treasurer shall enter the**
30 **amount of interest so paid on the tax rolls in the proper column and**
31 **account for such sum.**

32 (b) **Whenever any date prescribed in subsection (a) for the**
33 **payment of personal property taxes occurs on a Saturday or Sunday,**
34 **such date for payment shall be extended until the next-following**
35 **regular business day of the office of the county treasurer.**

36 (c) *All personal property taxes of any year past due and unpaid on*
37 *the effective date of this section and interest accrued thereon pursuant to*
38 *this section prior to its amendment by this act shall draw interest at the*
39 *rate prescribed by K.S.A. 79-2968, and amendments thereto, plus two*
40 *percentage points, per annum from the effective date of this section until*
41 *paid.}*

42 Section ~~4~~{3}. K.S.A. 2011 Supp. 79-2959 is hereby amended to read
43 as follows: 79-2959. (a) There is hereby created the local ad valorem tax

1 reduction fund. All moneys transferred or credited to such fund under the
2 provisions of this act or any other law shall be apportioned and distributed
3 in the manner provided herein.

4 (b) On January 15 and on July 15 of each year, the director of
5 accounts and reports shall make transfers in equal amounts ~~which in the~~
6 ~~aggregate equal 3.63% of the total retail sales and compensating taxes~~
7 ~~credited to the state general fund pursuant to articles 36 and 37 of chapter~~
8 ~~79 of Kansas Statutes Annotated and acts amendatory thereof and~~
9 ~~supplemental thereto during the preceding calendar year from the state~~
10 ~~general fund to the local ad valorem tax reduction fund, except that: (1) No~~
11 ~~moneys shall be transferred from the state general fund to the local ad~~
12 ~~valorem tax reduction fund during state fiscal years 2009, 2010, 2011,~~
13 ~~2012, and 2013, and (2) the amount of the transfer on each such date shall~~
14 ~~be \$13,500,000 during fiscal year 2014, \$20,250,000 and of \$22,500,000~~
15 ~~during fiscal year 2015, and \$27,000,000 during fiscal year 2016 years~~
16 **2013 and 2014, \$20,250,000 during fiscal year 2015 and \$27,000,000**
17 **during fiscal year 2016** and all fiscal years thereafter. All such transfers
18 are subject to reduction under K.S.A. 75-6704, and amendments thereto.
19 All transfers made in accordance with the provisions of this section shall
20 be considered to be demand transfers from the state general fund, except
21 that all such transfers during fiscal year 2014 shall be considered to be
22 revenue transfers from the state general fund.

23 (c) The state treasurer shall apportion and pay the amounts transferred
24 under subsection (b) to the several county treasurers on January 15 and on
25 July 15 in each year as follows: (1) Sixty-five percent of the amount to be
26 distributed shall be apportioned on the basis of the population figures of
27 the counties certified to the secretary of state pursuant to K.S.A. 11-201,
28 and amendments thereto, on July 1 of the preceding year; and (2) thirty-
29 five percent of such amount shall be apportioned on the basis of the
30 equalized assessed tangible valuations on the tax rolls of the counties on
31 November 1 of the preceding year as certified by the director of property
32 valuation.

33 **New Sec. 2{4}. (a) Subject to the provisions of K.S.A. 79-2925b,**
34 **and amendments thereto, if the total taxable real property valuation in**
35 **any municipality increases due to increases in the assessed valuation of**
36 **existing real property, then the governing body shall lower the mill**
37 **levy rate to such rate that would equal the amount of ad valorem**
38 **property taxes levied in the next preceding year. This subsection shall**
39 **not apply to ad valorem taxes levied under K.S.A. 72-6431, 76-6b01**
40 **and 76-6b05, and amendments thereto, or any other ad valorem tax**
41 **levy which was previously approved by the voters of such**
42 **municipality. Property that, in the current year, is new construction,**
43 **is located within added jurisdictional territory, or has changed in use**

1 shall not be considered when determining whether the total taxable
2 real property valuation has increased from the prior year.

3 (b) If the total taxable real property valuation in any municipality
4 decreases, then the governing body may increase the mill levy rate,
5 subject to any statutory restrictions, to a rate that would equal the
6 amount of ad valorem property taxes levied in the next preceding year.

7 (c) The provisions of subsection (a) shall not apply to or limit the
8 levy of ad valorem taxes for the payment of principal and interest on
9 bonds, temporary notes and no-fund warrants or judgments rendered
10 against any such taxing subdivision.

11 (d) For the purpose of this section, "municipality" means any
12 county, township, city, municipal university, school district,
13 community college, drainage district and any other taxing district or
14 political subdivision which levies taxes on property.

15 Sec. 3{5}. K.S.A. 2011 Supp. 79-2925b is hereby amended to read
16 as follows: 79-2925b. (a) ~~Without adoption of a resolution or ordinance so~~
17 ~~providing, the governing body of any taxing subdivision shall not approve~~
18 *The governing body of any taxing subdivision shall adopt a resolution or*
19 *ordinance approving any appropriation or budget, as the case requires,*
20 *which may be funded by revenue produced from property taxes, and*
21 *which provides for funding with such revenue in an amount exceeding*
22 *that of the next preceding year, except with regard to revenue*
23 *produced and attributable to the taxation of: (1) New improvements to*
24 *real property;*

25 (2) increased personal property valuation, other than increased
26 valuation of oil and gas leaseholds and mobile homes;

27 (3) property located within added jurisdictional territory; and

28 (4) property which has changed in use.

29 (b) The provisions of this section shall be applicable to all fiscal
30 and budget years commencing on and after the effective date of this
31 act.

32 (c) ~~The provisions of this section shall not apply to community~~
33 ~~colleges or unified school districts.~~

34 (d) ~~The provisions of this section shall not apply to revenue~~
35 ~~received from property tax levied for the sole purpose of repayment of~~
36 ~~the principal of and interest upon bonded indebtedness, temporary~~
37 ~~notes and no-fund warrants.~~

38 (d) *Any resolution adopted pursuant to this section shall be published*
39 *in the official county newspaper of the county where such taxing*
40 *subdivision is located.*

41 Sec. 4{6}. K.S.A. 79-2961 is hereby amended to read as follows:
42 79-2961. (a) The county clerk shall certify to the county treasurer
43 when budgets are made pursuant to K.S.A. 79-2960, and amendments

1 thereto, and tax levies are filed with the county clerk. Prior to
2 crediting the proper amounts under subsection (c) and except as
3 provided in subsection (d), the county treasurer shall divide the
4 amount paid by the state treasurer to the county treasurer among the
5 county and all other taxing subdivisions of the county except school
6 districts and any incorporated city within which any portion of the
7 Fort Riley military reservation is located and which would otherwise
8 be a participant in the Riley county allocation, which comply with the
9 requirements of this act, in the proportion that the product of the last
10 preceding total tangible tax rate of each subdivision, times its
11 equalized tangible assessed valuation for the preceding year, is to the
12 sum of such products of all the tangible tax-levying political
13 subdivisions, except school districts and any incorporated city within
14 which any portion of the Fort Riley military reservation is located and
15 which would otherwise be a participant in the Riley county allocation,
16 exclusive of the levy by the county for any deficiency for state
17 purposes.

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

35 (c) In crediting the amount that has been divided pursuant to
36 subsection (a) or subsection (d), the county treasurer shall proceed as
37 follows: Upon receipt of the payment from the state treasurer each
38 year, credit the appropriate fund or funds of each political subdivision
39 complying with the provisions of this act with its proportionate share
40 of such payment and the county treasurer shall notify such political
41 subdivision of the amounts so credited. This section and K.S.A. 79-
42 2960, and amendments thereto, shall not apply to school districts.

43 (d) The amount paid by the state treasurer to the county

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

15 Sec. ~~2-4~~. {7.} K.S.A. {79-2961 and K.S.A} 2011 Supp.. {79-2004,
16 79-2004a,} 79-2925b and 79-2959 is hereby repealed.

17 Sec. ~~3-5~~. {8.} This act shall take effect and be in force from and after
18 its publication in the statute book.

19