

*As Amended by Senate Committee*

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*Session of 2012*

**SENATE BILL No. 409**

By Senators Holland, Faust-Goudeau, Francisco, Hensley, Kultala, A. Schmidt and  
Umberger

2-8

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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 ~~section~~ *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 ~~aets 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,

1 and amendments thereto, on July 1 of the preceding year; and (2) thirty-  
2 five percent of such amount shall be apportioned on the basis of the  
3 equalized assessed tangible valuations on the tax rolls of the counties on  
4 November 1 of the preceding year as certified by the director of property  
5 valuation.

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

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

43 ***(c) In crediting the amount that has been divided pursuant to***

1 *subsection (a) or subsection (d), the county treasurer shall proceed as*  
2 *follows: Upon receipt of the payment from the state treasurer each year,*  
3 *credit the appropriate fund or funds of each political subdivision*  
4 *complying with the provisions of this act with its proportionate share of*  
5 *such payment and the county treasurer shall notify such political*  
6 *subdivision of the amounts so credited. This section and K.S.A. 79-2960,*  
7 *and amendments, thereto shall not apply to school districts.*

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

22 ~~Sec. 3.~~ K.S.A. 79-2961 and K.S.A. 2011 Supp. 79-2959 is *are*  
23 hereby repealed.

24 ~~Sec. 4.~~ This act shall take effect and be in force from and after its  
25 publication in the statute book.