

HOUSE BILL No. 2047

By Committee on Taxation

1-22

Proposed Balloon Amendment  
House Committee on Taxation  
Municipality  
Prepared by Scott Wells  
Office of Revisor of Statutes

1 AN ACT concerning property taxation; relating to revenues produced by  
2 property tax levies; votes to increase revenues; publication; amending  
3 K.S.A. 2012 Supp. 79-2925b and repealing the existing section.

4  
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2012 Supp. 79-2925b is hereby amended to read as  
7 follows: 79-2925b. (a) Without adoption of a resolution or ordinance a  
8 majority vote so providing, the governing body of any taxing subdivision  
9 shall not approve any appropriation or budget, as the case requires, which  
10 may be funded by revenue produced from property taxes, and which  
11 provides for funding with such revenue in an amount exceeding that of the  
12 next preceding year, except with regard to revenue produced and  
13 attributable to the taxation of: ~~If the total tangible property valuation in~~  
14 ~~any municipality increases from the next preceding year due to increases~~  
15 ~~in the assessed valuation of existing tangible property, the governing body~~  
16 ~~shall lower the amount of ad valorem tax to be levied to the amount of ad~~  
17 ~~valorem tax levied in the next preceding year. This subsection shall not~~  
18 ~~apply to ad valorem taxes levied under K.S.A. 72-6431, 76-6b01 and 76-~~  
19 ~~6b05, and amendments thereto, and any other ad valorem tax levy which~~  
20 ~~was previously approved by the voters of such municipality.~~

21 (b) Revenue that, in the current year, is produced and attributable to  
22 the taxation of:

23 (1) New improvements to real property;  
24 (2) increased personal property valuation, other than increased  
25 valuation of oil and gas leaseholds and mobile homes;

26 (3) property located within added jurisdictional territory; and or  
27 (4) property which has changed in use

28 shall not be considered when determining whether revenue produced from  
29 property has increased from the next preceding year.

30 (b)(c) In the event the governing body votes to approve any  
31 appropriation or budget, as the case requires, which may be funded by  
32 revenue produced from property taxes, and which provides for funding  
33 with such revenue in an amount exceeding that of the next preceding year,  
34 notice of such vote shall be published in the official county newspaper of  
35 the county where such taxing subdivision is located.

36 (d) The provisions of this section shall be applicable to all fiscal and

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Date: 2/5/13  
Attachment: 3

1 budget years commencing on and after the effective date of this act.

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

4 (d)(e) The provisions of this section shall not apply to revenue  
5 received from property tax levied for the sole purpose of repayment of the  
6 principal of and interest upon bonded indebtedness, temporary notes and  
7 no-fund warrants.

8 (f) *For purposes of this section, "municipality" means any political*  
9 *subdivision of the state which levies an ad valorem tax on property and*  
10 *includes, but is not limited to, any county, township, municipal university,*  
11 *school district, community college, drainage district or other taxing*  
12 *district.*

13 Sec. 2. K.S.A. 2012 Supp. 79-2925b is hereby repealed.

14 Sec. 3. This act shall take effect and be in force from and after its  
15 publication in the statute book.

city, county or school district

Rep. Hineman

**Factors Contributing to Growth of Kansas Property Tax  
1997 to 2011**

**Presentation by Rep. Don Hineman  
House Tax Committee, February 5, 2013**

- ① Inflation, 1997 to 2011: 38% or \$741.5 million in 2011
- ② Curtailing of revenue sharing from state to local level
  - a. City-County Revenue Sharing Fund: \$63.6 million (2011 only)
  - b. Local Ad Valorem Tax Reduction Fund: \$81.9 million
  - c. Special City County Highway Fund: \$20 million
- ③ Shrinking tax base
  - a. Business machinery & equipment: \$142.5 million
  - b. First \$20K of residential property (statewide school finance mill levy)
  - c. Renewable energy
  - d. Coal gasification
  - e. Oil & gas pipelines
  - f. Biomass energy plants
  - g. CO2 sequestration facilities
  - h. Electric generation of independent power producers
  - i. Certain electric transmission lines
  - j. Motor vehicles owned by military service personnel
- ④ Shifting responsibilities from state to local level
  - a. Local environmental planning program
  - b. Public health services through local health departments
  - c. Mental health services
  - d. Mortuary services for deceased indigents
- ⑤ Unfunded mandates from state and federal level
- ⑥ Locally adopted bond issues and LOB increases

Total property tax dollars raised, 2011: \$3,916.1 billion  
Total property tax dollars raised, 1997: \$1,964.8 billion  
Increase: \$1,951.8 billion

Remove inflation (38%)	741.5	
Remove loss of statutory CCRS	63.6	
Remove loss of statutory LAVTRF	81.9	
Remove loss of SCCHF		20
Remove tax base shrinkage, M&E	<u>142.5</u>	
Remaining increase:	902.3	