

{As Amended by House Committee of the Whole}

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Session of 2014

HOUSE BILL No. 2542

By Committee on Federal and State Affairs

1-30

1 AN ACT concerning property taxation; relating to exemptions; amateur-
2 built aircraft; **{local ad valorem tax reduction fund, distribution;}**
3 amending K.S.A. 79-220 **{and 79-2961 and K.S.A. 2013 Supp. 79-**
4 **2959}** and repealing the existing section **{sections}**.
5

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

7 Section 1. K.S.A. 79-220 is hereby amended to read as follows: 79-
8 220. The following described property, to the extent herein specified, is
9 hereby exempt from all property or ad valorem taxes levied under the laws
10 of the state of Kansas:

11 Any antique aircraft *and amateur-built aircraft* used exclusively for
12 recreational or display purposes, or any combination thereof. The term
13 "antique aircraft" means all aircraft 30 years or older as determined by the
14 date of manufacture. *The term "amateur-built aircraft" means an aircraft,*
15 **manned or unmanned, the major portion of which has been fabricated**
16 **and assembled by a person or persons who undertook the construction**
17 **project solely for their own education or recreation.**

18 The provisions of this section shall apply to all taxable years
19 commencing after December 31, ~~1986~~ 2013.

20 **{Sec. 2. K.S.A. 2013 Supp. 79-2959 is hereby amended to read as**
21 **follows: 79-2959. (a) There is hereby created the local ad valorem tax**
22 **reduction fund. All moneys transferred or credited to such fund under**
23 **the provisions of this act or any other law shall be apportioned and**
24 **distributed in the manner provided herein.**

25 **(b) On January 15 and on July 15 of each year, the director of**
26 **accounts and reports shall make transfers in equal amounts which in**
27 **the aggregate equal 3.63% of the total retail sales and compensating**
28 **taxes credited to the state general fund pursuant to articles 36 and 37**
29 **of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,**
30 **during the preceding calendar year from the state general fund to the local**
31 **ad valorem tax reduction fund, except that: (1) ~~No moneys shall be~~**
32 **~~transferred from the state general fund to the local ad valorem tax~~**
33 **~~reduction fund during state fiscal years 2013, 2014, and 2015, The amount~~**
34 ***of the transfer on each such date shall be \$22,500,000 during fiscal year***

1 2015; and (2) the amount of the transfer on each such date shall be
2 \$27,000,000 during fiscal year 2016 and all fiscal years thereafter. All such
3 transfers are subject to reduction under K.S.A. 75-6704, and amendments
4 thereto. All transfers made in accordance with the provisions of this
5 section shall be considered to be demand transfers from the state general
6 fund, ~~except that all such transfers during fiscal year 2016 shall be~~
7 ~~considered to be revenue transfers from the state general fund.~~

8 **(c) The state treasurer shall apportion and pay the amounts**
9 **transferred under subsection (b) to the several county treasurers on**
10 **January 15 and on July 15 in each year as follows: (1) Sixty-five**
11 **percent of the amount to be distributed shall be apportioned on the**
12 **basis of the population figures of the counties certified to the secretary**
13 **of state pursuant to K.S.A. 11-201, and amendments thereto, on July 1**
14 **of the preceding year; and (2) thirty-five percent of such amount shall**
15 **be apportioned on the basis of the equalized assessed tangible**
16 **valuations on the tax rolls of the counties on November 1 of the**
17 **preceding year as certified by the director of property valuation.**

18 **Sec. 3. K.S.A. 79-2961 is hereby amended to read as follows: 79-**
19 **2961. (a) The county clerk shall certify to the county treasurer when**
20 **budgets are made pursuant to K.S.A. 79-2960, and amendments**
21 **thereto, and tax levies are filed with the county clerk. Prior to**
22 **crediting the proper amounts under subsection (c) and except as**
23 **provided in subsection (d), the county treasurer shall divide the**
24 **amount paid by the state treasurer to the county treasurer among the**
25 **county and all other taxing subdivisions of the county except school**
26 **districts and any incorporated city within which any portion of the**
27 **Fort Riley military reservation is located and which would otherwise**
28 **be a participant in the Riley county allocation, which comply with the**
29 **requirements of this act, in the proportion that the product of the last**
30 **preceding total tangible tax rate of each subdivision, times its**
31 **equalized tangible assessed valuation for the preceding year, is to the**
32 **sum of such products of all the tangible tax-levying political**
33 **subdivisions, except school districts and any incorporated city within**
34 **which any portion of the Fort Riley military reservation is located and**
35 **which would otherwise be a participant in the Riley county allocation,**
36 **exclusive of the levy by the county for any deficiency for state**
37 **purposes.**

38 **(b) No political subdivision shall be entitled to participate in the**
39 **distribution of any money appropriated to carry out K.S.A. 79-2960,**
40 **and amendments thereto, and this section unless and until such political**
41 **subdivision has adopted and certified a budget for the ensuing year which**
42 **shows as a separate item the amount of the distribution to one or more tax**
43 **levy funds of general application within such subdivision except bond and**

1 interest funds and has certified a tax levy for each such fund that will
2 produce a sum of money less than the amount which a maximum levy
3 would produce for each such fund, in an amount equal to or in excess of
4 the amount of such distribution. The budget of each political subdivision
5 also shall show that the aggregate levies made by such tangible property
6 tax-levying political subdivisions will produce a sum less than the amount
7 which the aggregate levy would produce in an amount equal to or in
8 excess of the aggregate amount of the budget items of such distribution
9 shown in the aggregate levy *that property tax revenues from the preceding*
10 *year have been reduced by an amount equal to 80% of the amount*
11 *received by the political subdivision from the local ad valorem tax*
12 *reduction fund.*

13 (c) In crediting the amount that has been divided pursuant to
14 subsection (a) or subsection (d), the county treasurer shall proceed as
15 follows: Upon receipt of the payment from the state treasurer each
16 year, credit the appropriate fund or funds of each political subdivision
17 complying with the provisions of this act with its proportionate share
18 of such payment and the county treasurer shall notify such political
19 subdivision of the amounts so credited. This section and K.S.A. 79-
20 2960, and amendments thereto, shall not apply to school districts.

21 (d) The amount paid by the state treasurer to the county
22 treasurer of each county under subsection (d) of K.S.A. 79-2959, and
23 amendments thereto, shall be divided only among the one or more
24 community colleges or municipal universities, or both, which received
25 amounts under this section from the payment made from the local ad
26 valorem tax reduction fund on January 15, 1983. The amount received
27 by each such community college or municipal university under this
28 subsection shall bear the same proportion to the total amount paid to
29 such county under subsection (d) of K.S.A. 79-2959, and amendments
30 thereto, as the amount received by such community college or
31 municipal university under this section from the payment made to
32 such county from the local ad valorem tax reduction fund on January
33 15, 1983, bears to the total amount received by all such community
34 colleges and municipal universities under this section from such
35 payment.}

36 Sec. 2. {4.} K.S.A. 79-220 is {and 79-2961 and K.S.A. 2013 Supp.
37 79-2959 are} hereby repealed.

38 Sec. 3. {5.} This act shall take effect and be in force from and after its
39 publication in the statute book.