

SENATE BILL No. 23

AN ACT concerning school districts; amending K.S.A. 72-8804 and 72-8812 and K.S.A. 2012 Supp. 72-6431, 72-6441, 72-6448, 72-8801, 72-8254 and 79-201x and repealing the existing sections.

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

New Section 1. The director of budget and the director of legislative research shall jointly certify to the secretary of state that the aggregate amount of appropriations for the school district capital outlay state aid fund is equal to 100% of the amount that school districts are entitled to receive from the school district capital outlay state aid fund for such school year pursuant to K.S.A. 2012 Supp. 72-8814, and amendments thereto. Upon receipt of such certification, the secretary of state shall cause a notice of such certification to be published in the Kansas register.

Sec. 2. K.S.A. 2012 Supp. 72-6431 is hereby amended to read as follows: 72-6431. (a) The board of each district shall levy an ad valorem tax upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the district's general fund budget which is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district.

(b) The tax required under subsection (a) shall be levied at a rate of 20 mills in the school year ~~2011-2012-2013-2014~~ and school year ~~2012-2013-2014-2015~~.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the general fund of the district.

(d) On June 6 of each year, the amount, if any, by which a district's local effort exceeds the amount of the district's state financial aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

Sec. 3. K.S.A. 2012 Supp. 72-6441 is hereby amended to read as follows: 72-6441. (a) (1) The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighting to enrollment of the district. The state court of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose, including any amount attributable to assignment of school facilities weighting to enrollment of the district for each school year in which the district is eligible for such weighting. If the district is not eligible, or will be ineligible, for school facilities weighting in any one or more years during the two-year period for which the district is authorized to levy a tax under this subsection, the state court of tax appeals may authorize the district to make a levy, in such year or years of ineligibility, which will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities.

(2) The state court of tax appeals shall certify to the state board of

education the amount authorized to be produced by the levy of a tax under subsection (a).

(3) The state court of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this subsection, including rules and regulations relating to the evidence required in support of a district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(4) The provisions of this subsection apply to any district that: (A) Commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing; (B) is authorized to adopt and has adopted a local option budget which is at least equal to that amount required to qualify for school facilities weighting under K.S.A. 2012 Supp. 72-6415b, and amendments thereto; and (C) is experiencing extraordinary enrollment growth as determined by the state board of education.

(b) The board of any district that has levied an ad valorem tax on the taxable tangible property of the district each year for a period of two years under authority of subsection (a) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed ~~three~~ six years in an amount not to exceed the amount computed by the state board of education as provided in this subsection if the board of the district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the district. The tax authorized under this subsection may be levied at a rate which will produce an amount that is not greater than the amount computed by the state board of education as provided in this subsection. In computing such amount, the state board shall:

(1) Determine the amount produced by the tax levied by the district under authority of subsection (a) in the second year for which such tax was levied and add to such amount the amount of general state aid directly attributable to school facilities weighting that was received by the district in the same year;

(2) compute ~~75%~~ 90% of the amount of the sum obtained under *paragraph (1)*, which computed amount is the amount the district may levy in the first year of the ~~three-year~~ *six-year* period for which the district may levy a tax under authority of this subsection;

(3) compute ~~50%~~ 75% of the amount of the sum obtained under *paragraph (1)*, which computed amount is the amount the district may levy in the second year of the ~~three-year~~ *six-year* period for which the district may levy a tax under authority of this subsection; ~~and~~

(4) compute ~~25%~~ 60% of the amount of the sum obtained under *paragraph (1)*, which computed amount is the amount the district may levy in the third year of the ~~three-year~~ *six-year* period for which the district may levy a tax under authority of this subsection;

(5) *compute 45% of the amount of the sum obtained under paragraph (1), which computed amount is the amount the district may levy in the fourth year of the six-year period for which the district may levy a tax under authority of this subsection;*

(6) *compute 30% of the amount of the sum obtained under paragraph (1), which computed amount is the amount the district may levy in the fifth year of the six-year period for which the district may levy a tax under authority of this subsection; and*

(7) *compute 15% of the amount of the sum obtained under paragraph (1), which computed amount is the amount the district may levy in the sixth year of the six-year period for which the district may levy a tax under authority of this subsection.*

In determining the amount produced by the tax levied by the district under authority of subsection (a), the state board shall include any moneys which have been apportioned to the ancillary facilities fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

(c) The proceeds from the tax levied by a district under authority of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire

amount in the state treasury to the credit of the state school district finance fund.

Sec. 4. K.S.A. 2012 Supp. 72-6448 is hereby amended to read as follows: 72-6448. (a) As used in this section:

(1) “Pupil” means a person who is a dependent of a full-time active duty member of the military service or a dependent of a member of any of the United States military reserve forces who has been ordered to active duty under section 12301, 12302 or 12304 of Title 10 of the United States Code, or ordered to full-time active duty for a period of more than 30 consecutive days under section 502(f) or 512 of Title 32 of the United States Code for the purposes of mobilizing for war, international peace-keeping missions, national emergency or homeland defense activities.

(2) “School year” means school year ~~2009-2010, 2010-2011, 2011-2012 or 2012-2013~~ 2013-2014, 2014-2015, 2015-2016, 2016-2017 or 2017-2018.

(b) Each school year, the state board shall:

(1) Determine the number of pupils enrolled in each district on September 20; *and*

(2) determine the number of military pupils enrolled in each district on February 20, who were not enrolled on the preceding September 20;

(c) (1) If the number obtained under *subsection* (b)(2) is 25 or more, an amount equal to the number obtained under *subsection* (b)(2) shall be added to the number determined under *subsection* (b)(1). The sum is the enrollment of the district.

(2) If the number obtained under *subsection* (b)(2) is at least 1% of the number determined under *subsection* (b)(1), an amount equal to the number obtained under *subsection* (b)(2) shall be added to the number determined under *subsection* (b)(1). The sum is the enrollment of the district.

(d) The state board shall recompute the adjusted enrollment of the district and the general fund budget of the school district based on the enrollment as determined under this section.

(e) Districts desiring to determine enrollment under this section shall submit any documentation or information required by the state board.

Sec. 5. On July 1, 2013, and the date of publication in the Kansas register of the notice prescribed in section 1, K.S.A. 2012 Supp. 72-8801 is hereby amended to read as follows: 72-8801. (a) The board of education of any school district may make an annual tax levy at a mill rate not to exceed the statutorily prescribed mill rate for a period of not to exceed five years upon the taxable tangible property in the school district for the purposes specified in this act and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. No levy shall be made under this act until a resolution is adopted by the board of education in the following form:

Unified School District No. _____,
 _____ County, Kansas.

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed _____ years in an amount not to exceed _____ mills upon the taxable tangible property in the school district for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, *maintaining* and equipping of ~~buildings~~ *school district property and equipment* necessary for school district purposes, including: (1) *Acquisition of computer software*; (2) *acquisition of performance uniforms*; (3) housing and boarding pupils enrolled in an area vocational school operated under the board; (4) architectural expenses ~~incidental thereto, the~~; (5) acquisition of building sites; ~~the~~; (6) undertaking and maintenance of asbestos control projects; ~~the~~; (7) acquisition of school buses ~~and the~~; *and* (8) acquisition of other ~~equipment~~ *fixed assets*, and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy au-

thorized by this resolution may be made, unless a petition in opposition to the same, signed by not less than 10% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 40 *calendar* days after the last publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether the tax levy shall be authorized to the electors in the school district at an election called for ~~the~~ *that* purpose or at the next general election, as is specified by the board of education of the above school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, _____ County, Kansas, on the _____ day of _____, _____

Clerk of the board of education.

All of the blanks in the above resolution shall be appropriately filled. The blank preceding the word “years” shall be filled with a specific number, and the blank preceding the word “mills” shall be filled with a specific number, and no word shall be inserted in either of the blanks. The resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the resolution, the board of education may notify the county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. If the board of education fails to notify the county election officer within 60 *calendar* days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following the first publication of the resolution.

(b) As used in this act:

(1) “Unconditionally authorized to make a capital outlay tax levy” means that the school district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election has been held by which the tax levy specified in the resolution was approved;

(2) “statutorily prescribed mill rate” means: (A) Eight mills; (B) the mill levy rate in excess of eight mills if the resolution fixing such rate was approved at an election prior to the effective date of this act; or (C) the mill levy rate in excess of eight mills if no petition or no sufficient petition was filed in protest to a resolution fixing such rate in excess of eight mills and the protest period for filing such petition has expired;

(3) “asbestos control project” means any activity which is necessary or incidental to the control of asbestos-containing material in buildings of school districts and includes, but not by way of limitation, any activity undertaken for the removal or encapsulation of asbestos-containing material, for any remodeling, renovation, replacement, rehabilitation or other restoration necessitated by such removal or encapsulation, for conducting inspections, reinspections and periodic surveillance of buildings, performing response actions, and developing, implementing and updating operations and maintenance programs and management plans;

(4) “asbestos” means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtonitegrunerite), anthophyllite, tremolite, and actinolite; and

(5) “asbestos-containing material” means any material or product which contains more than 1% asbestos.

Sec. 6. On July 1, 2013, and the date of publication in the Kansas register of the notice prescribed in section 1, K.S.A. 72-8804 is hereby amended to read as follows: 72-8804. (a) Any moneys in the capital outlay fund of any school district and any moneys received from issuance of bonds under K.S.A. 72-8805 or 72-8810, and amendments thereto, may be used for the purpose of the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, *maintaining* and equipping of ~~buildings~~ *school district property and equipment* necessary for school district purposes, including: (1) *Acquisition of computer software*; (2) ac-

quisition of performance uniforms; (3) housing and boarding pupils enrolled in an area vocational school operated under the board of education; (4) architectural expenses incidental thereto, the; (5) acquisition of building sites, the; (6) undertaking and maintenance of asbestos control projects, the; (7) acquisition of school buses and the; and (8) acquisition of other equipment fixed assets.

(b) The board of education of any school district is hereby authorized to invest any portion of the capital outlay fund of the school district which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein, or may invest the same in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the capital outlay fund.

Sec. 7. On July 1, 2013, and the date of publication in the Kansas register of the notice prescribed in section 1, K.S.A. 72-8812 is hereby amended to read as follows: 72-8812. This act shall not in any manner be construed as affecting the validity of any tax levies authorized to be made under article 88 of chapter 72 of the Kansas Statutes Annotated prior to the effective date of this act, nor shall this act in any manner be construed as affecting the validity of any bonds issued or authorized to be issued under ~~said~~ article 88 of *chapter 72 of the Kansas Statutes Annotated* prior to the effective date of this act.

Sec. 8. K.S.A. 2012 Supp. 72-8254 is hereby amended to read as follows: 72-8254. (a) This section shall be known and may be cited as the Kansas uniform financial accounting and reporting act.

(b) As used in this section:

(1) “*Budget summary*” means a summary of the official budget adopted by the board of education of the school district, and shall include, but is not limited to, graphs depicting the total expenditures in the budget by category, supplemental and general fund expenditures, instruction expenditures, enrollment figures, mill rates by fund and average salaries. For purposes of this section, the budget at a glance format developed by the state board, and any successor format shall be deemed a budget summary, provided it complies with the requirements of this section.

(2) “*Reporting system*” means the uniform reporting system, including a uniform chart of accounts, developed by the state board as required by this section.

~~(2)~~(3) “*School district*” means ~~any~~ a unified school district ~~in the~~ organized and operated under the laws of this state.

~~(3)~~(4) “*State board*” means the state board of education.

(c) The state board shall develop and maintain a uniform reporting system for the receipts and expenditures of school districts. The accounting records maintained by each school district shall be coordinated with the uniform reporting system. Each school district shall record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as shall be prescribed by the state board. Each school district shall submit such reports and statements as may be required by the state board. The state board shall design, revise and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all school districts. The reporting system shall include all funds held by a school district regardless of the source of the moneys held in such funds, including, but not limited to, all funds funded by fees or other sources of revenue not derived from tax levies. The state board shall prescribe the necessary forms to be used by school districts in connection with such uniform reporting system.

(d) The reporting system developed by the state board shall be developed in such a manner that allows school districts to record and report any information required by state or federal law.

(e) The reporting system shall provide records showing by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total *and itemized* expenditures, the unencumbered cash balances, excluding state aid receivable, actual balances on hand and

the unencumbered balances of allotments or appropriations for each school district.

(f) The reporting system shall allow a person to search the data and allow for the comparison of data by school district.

(g) Each school district shall annually submit a report to the state board on all construction activity undertaken by the school district which was financed by the issuance of bonds and which such bonds have not matured. Such report shall include all revenue receipts, all expenditures of bond proceeds authorized by law, the dates for commencement and completion of such construction activity, the estimated cost and the actual cost of such construction activity. The information provided in the report shall be in a form so as to readily identify such information with a specific construction project. Such report shall be submitted in a form and manner prescribed by the state board in accordance with the provisions of this section.

(h) From and after July 1, 2012, the board of education of each school district shall record and report the receipts and expenditures of the district in the manner prescribed by the state board in accordance with this section.

(i) (1) Each school district shall annually publish on such district's internet website:

(A) A copy of form 150, estimated legal maximum general fund budget, or any successor document containing the same or similar information, that was submitted by such district to the state board of education for the immediately preceding school year. ~~A copy of such document shall also be annually published by the department of education on its internet website; and~~

(B) *the budget summary for the current school year and actual expenditures for the immediately preceding two school years showing total dollars net of transfers and dollars per pupil for each of the following:*

- (1) *Function 1000, instruction;*
- (2) *function 2100, student support;*
- (3) *function 2200, instructional staff support;*
- (4) *functions 2300 through 2500, administration;*
- (5) *function 2600, operation and maintenance;*
- (6) *function 2700, transportation;*
- (7) *function 3100, food service;*
- (8) *functions 2900, 3200 and 3300, other current spending;*
- (9) *function 4000, capital outlay;*
- (10) *function 5100, debt service;*
- (11) *the total expenditures which is the sum of the amounts in paragraphs (1) through (10);*
- (12) *the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of total expenditures;*
- (13) *the spending allocated to function 1000, instruction, excluding capital outlay and debt service expenditures, as a percentage of current spending, which is the sum of expenditures for functions 1000 through 3300 less capital outlay and debt service expenditures included in any of those functions; and*
- (14) *the revenue in total dollars net of transfers both in total and disaggregated to show the amount of revenue received from local, state and federal revenue sources.*

For purposes of subsection (i)(1)(B), all per pupil amounts shall be calculated using the full-time equivalent enrollment of the school district. All function categories and other accounting categories shall refer to those same categories as established and required for financial accounting purposes by the state board as published in the Kansas state department of education's Kansas accounting handbook for unified school districts, as published in August 2012, or later versions as established in rules and regulations adopted by the state board.

(2) ~~Publications pursuant to required by this subsection shall be conducted in such manner as to make the document readily accessible to the public published with an easily identifiable link located on such district's website homepage.~~

(j) (1) The department of education shall annually publish on its internet website:

(A) *All of the publications required under subsection (i); and*

(B) the following expenditures for each school district on a per pupil basis:

- ~~(1)~~(i) Total expenditures;
- ~~(2)~~(ii) capital outlay expenditures;
- ~~(3)~~(iii) bond and interest expenditures; and
- ~~(4)~~(iv) all other expenditures not included in ~~(2)~~(ii) or ~~(3)~~(iii).

(2) *Publications required by this subsection shall be published with an easily identifiable link located on the department's website homepage.*

Sec. 9. K.S.A. 2012 Supp. 79-201x is hereby amended to read as follows: 79-201x. For taxable years ~~2011-2013~~ and ~~2012-2014~~, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-6431, and amendments thereto: Property used for residential purposes to the extent of \$20,000 of its appraised valuation.

Sec. 10. K.S.A. 2012 Supp. 72-6431 , 72-6441, 72-6448, 72-8254 and 79-201x are hereby repealed.

Sec. 11. On July 1, 2013, and the date of publication in the Kansas register of the notice prescribed in section 1, K.S.A. 72-8804 and 72-8812 and K.S.A. 2012 Supp. 72-8801 are hereby repealed.

Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.