

HOUSE BILL No. 2755

By Committee on Taxation

2-21

1 AN ACT concerning property taxation; relating to cities and counties,
2 approval of budgets with increased property tax revenues, election
3 requirements, exceptions; amending K.S.A. 2017 Supp. 79-2925c and
4 repealing the existing section.

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

7 Section 1. K.S.A. 2017 Supp. 79-2925c is hereby amended to read as
8 follows: 79-2925c. (a) (1) On and after January 1, 2017, the governing
9 body of any city or county shall not approve any appropriation or budget
10 which provides for funding by property tax revenues in an amount
11 exceeding that of the next preceding year as adjusted to reflect the average
12 changes in the consumer price index for all urban consumers as published
13 by the United States department of labor for the preceding five calendar
14 years, which shall not be less than zero, unless the city or county approves
15 the appropriation or budget with the adoption of a resolution and such
16 resolution has been submitted to and approved by a majority of the
17 qualified electors of the city or county voting at an election called and held
18 thereon, except as otherwise provided.

19 (2) The election shall be called and held in the manner provided by
20 K.S.A. 10-120, and amendments thereto, and may be:

21 (A) Held at the next regularly scheduled election to be held in August
22 or November;

23 (B) may be a mail ballot election, conducted in accordance with
24 K.S.A. 25-431 et seq., and amendments thereto; or

25 (C) may be a special election called by the city or county. Nothing in
26 this subsection shall prevent any city or county from holding more than
27 one election in any year. The city or county requesting the election shall be
28 responsible for paying all costs associated with conducting the election.

29 (b) A resolution by the governing body of a city or county otherwise
30 required by the provisions of this section shall not be required to be
31 approved by an election required by subsection (a) under the following
32 circumstances:

33 (1) Increased property tax revenues that, in the current year, are
34 produced and attributable to the taxation of:

35 (A) The construction of any new structures or improvements or the
36 remodeling or renovation of any existing structures or improvements on

1 real property, which shall not include any ordinary maintenance or repair
2 of any existing structures or improvements on the property;

3 (B) increased personal property valuation;

4 (C) real property located within added jurisdictional territory;

5 (D) real property which has changed in use;

6 (E) expiration of any abatement of property from property tax; or

7 (F) expiration of a tax increment financing district, rural housing
8 incentive district, neighborhood revitalization area or any other similar
9 property tax rebate or redirection program.

10 (2) Increased property tax revenues that will be spent on:

11 (A) Bond, temporary notes, no fund warrants, state infrastructure
12 loans and interest payments not exceeding the amount of ad valorem
13 property taxes levied in support of such payments, and payments made to a
14 public building commission and lease payments but only to the extent such
15 payments were obligations that existed prior to July 1, 2016;

16 (B) payment of special assessments not exceeding the amount of ad
17 valorem property taxes levied in support of such payments;

18 (C) court judgments or settlements of legal actions against the city or
19 county and legal costs directly related to such judgments or settlements;

20 (D) expenditures of city or county funds that are specifically
21 mandated by federal or state law with such mandates becoming effective
22 on or after July 1, 2015, and loss of funds from federal sources after
23 January 1, 2017, where the city or county is contractually obligated to
24 provide a service;

25 (E) expenses relating to a federal, state or local disaster or federal,
26 state or local emergency, including, but not limited to, a financial
27 emergency, declared by a federal or state official. The board of county
28 commissioners may request the governor to declare such disaster or
29 emergency; or

30 (F) increased costs above the consumer price index for law
31 enforcement, fire protection or emergency medical services.

32 (3) Any increased property tax revenues generated for law
33 enforcement, fire protection or emergency medical services shall be
34 expended exclusively for these purposes but shall not be used for the
35 construction or remodeling of buildings.

36 (4) The property tax revenues levied by the city or county have
37 declined:

38 (A) In one or more of the next preceding three calendar years and the
39 increase in the amount of funding for the budget or appropriation from
40 revenue produced from property taxes does not exceed the average amount
41 of funding from such revenue of the next preceding three calendar years,
42 adjusted to reflect changes in the consumer price index for all urban
43 consumers as published by the United States department of labor for the

1 preceding calendar year; or

2 (B) the increase in the amount of ad valorem tax to be levied is less
3 than the change in the consumer price index plus the loss of assessed
4 property valuation that has occurred as the result of legislative action,
5 judicial action or a ruling by the board of tax appeals.

6 (5) Whenever a city or county is required by law to levy taxes for the
7 financing of the budget of any political or governmental subdivision of this
8 state that is not authorized by law to levy taxes on its own behalf, and the
9 governing body of such city or county is not authorized or empowered to
10 modify or reduce the amount of taxes levied therefore, the tax levies of the
11 political or governmental subdivision shall not be included in or
12 considered in computing the aggregate limitation upon the property tax
13 levies of the city or county.

14 *(6) Any tax levy increase as a result of another taxing entity being*
15 *dissolved and all powers, responsibilities, duties and liabilities of the*
16 *entity have been transferred to the city or county to carry on the function*
17 *and responsibilities of the dissolved taxing entity, so long as the levy*
18 *increase does not exceed the levy of the dissolved taxing entity.*

19 Sec. 2. K.S.A. 2017 Supp. 79-2925c is hereby repealed.

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