

SENATE BILL No. 400

By Committee on Assessment and Taxation

2-7

1 AN ACT concerning taxation; amending K.S.A. 2017 Supp. 79-2925c and
2 repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

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

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

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

33 (A) The construction of any new structures or improvements or the
34 remodeling or renovation of any existing structures or improvements on
35 real property, which shall not include any ordinary maintenance or repair
36 of any existing structures or improvements on the property;

- 1 (B) increased personal property valuation;
- 2 (C) real property located within added jurisdictional territory;
- 3 (D) real property which has changed in use;
- 4 (E) expiration of any abatement of property from property tax; or
- 5 (F) expiration of a tax increment financing district, rural housing
- 6 incentive district, neighborhood revitalization area or any other similar
- 7 property tax rebate or redirection program.

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

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

14 (B) payment of special assessments not exceeding the amount of ad

15 valorem property taxes levied in support of such payments;

16 (C) court judgments or settlements of legal actions against the city or

17 county and legal costs directly related to such judgments or settlements;

18 (D) expenditures of city or county funds that are specifically

19 mandated by federal or state law with such mandates becoming effective

20 on or after July 1, 2015, and loss of funds from federal sources after

21 January 1, 2017, where the city or county is contractually obligated to

22 provide a service;

23 (E) expenses relating to a federal, state or local disaster or federal,

24 state or local emergency, including, but not limited to, a financial

25 emergency, declared by a federal or state official. The board of county

26 commissioners may request the governor to declare such disaster or

27 emergency; or

28 (F) increased costs above the consumer price index for law

29 enforcement, fire protection or emergency medical services.

30 (3) Any increased property tax revenues generated for law

31 enforcement, fire protection or emergency medical services shall be

32 expended exclusively for these purposes but shall not be used for the

33 construction or remodeling of buildings.

34 (4) The property tax revenues levied by the city or county have

35 declined:

36 (A) In one or more of the next preceding three calendar years and the

37 increase in the amount of funding for the budget or appropriation from

38 revenue produced from property taxes does not exceed the average amount

39 of funding from such revenue of the next preceding three calendar years,

40 adjusted to reflect changes in the consumer price index for all urban

41 consumers as published by the United States department of labor for the

42 preceding calendar year; or

43 (B) the increase in the amount of ad valorem tax to be levied is less

1 than the change in the consumer price index plus the loss of assessed
2 property valuation that has occurred as the result of legislative action,
3 judicial action or a ruling by the board of tax appeals.

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

12 (6) *Any tax levy increase as a result of another taxing entity being*
13 *dissolved and all powers, responsibilities, duties and liabilities of the*
14 *entity have been transferred to the city or county to carry on the function*
15 *and responsibilities of the dissolved taxing entity.*

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

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