

SENATE BILL No. 294

By Senators Tyson, Alley, Braun, Estes, Goddard, Hilderbrand, Kerschen,
Longbine, Lynn, Masterson, Olson, Petersen, Thompson, Wagle and Wilborn

1-22

1 AN ACT concerning property taxation; relating to tax rates; truth in
2 taxation; establishing notice and public hearing requirements prior to
3 approval to exceed ~~certified~~ **Estimated** tax rate.

4

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

6 Section 1. (a) On or before July 1 each year, the governing body of
7 each taxing subdivision or taxing district shall calculate its ~~certified~~ **Estimated** tax
8 rate. The ~~certified~~ **Estimated** tax rate is the tax rate for the current year that would
9 generate the same property tax revenue as levied the previous year using
10 the current year's total **Estimated** assessed valuation. The purpose of the ~~certified~~ **Estimated** tax
11 rate is to promote truth in taxation. To calculate the ~~certified~~ **Estimated** tax rate, each
12 governing body shall divide the property tax revenue for such taxing
13 subdivision or taxing district levied for the previous year by the total of all **Estimated**
14 taxable assessed valuations in such taxing subdivision or taxing district
15 provided by the county clerk pursuant to K.S.A. 79-5a27, and amendments
16 thereto, for the current year, and then multiply the quotient by 1,000 to
17 express the rate in mills. The ~~certified~~ **Estimated** tax rate shall be expressed to the
18 third decimal place.

19 (b) On or before July 1 each year, the governing body of each taxing
20 subdivision or taxing district shall submit its calculated ~~certified~~ **Estimated** tax rate
21 and supporting documentation to the director of accounts and reports on
22 forms approved by the director of accounts and reports. The director of
23 accounts and reports shall review the calculated ~~certified~~ **Estimated** tax rate and
24 supporting documentation for compliance and accuracy and notify the
25 governing body of the results of such review before August 1 of each year.
26 The director of accounts and reports shall make copies of submissions and
27 notifications pursuant to subsections (b) and (c) available to the public on
28 the website of the Kansas department of administration no later than
29 September 1 each year.

30 (c) On or before August 1 each year, the governing body of each
31 taxing subdivision or taxing district shall submit its ~~certified~~ **Estimated** tax rate to the
32 director of accounts and reports and report its ~~certified~~ **Estimated** tax rate and the
33 calculations used to compute the ~~certified~~ **Estimated** tax rate on its proposed budget
34 forms prepared pursuant to K.S.A. 79-2927, and amendments thereto.

35 (d) No tax rate in excess of the ~~certified~~ **Estimated** tax rate shall be levied by the

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1 governing body of any taxing subdivision or taxing district unless a
2 resolution or ordinance has been approved by the governing body
3 according to the following procedure:

4 (1) The governing body shall publish notice of its proposed intent to
5 exceed the ~~certified~~ **Estimated** tax rate in the official county newspaper of the county
6 where the taxing subdivision or taxing district is located and on the
7 website of the governing body, if the governing body maintains a website,
8 at least 10 days in advance of the public hearing.

9 (2) On or before August 1, the governing body shall notify the county
10 clerk of its proposed intent to exceed the ~~certified~~ **Estimated** tax rate. The county
11 clerk shall notify each taxpayer with property in the taxing subdivision or
12 taxing district, by mail directed to the taxpayer's last known address, of the
13 proposed intent to exceed the ~~certified~~ **Estimated** tax rate at least 10 days in advance
14 of the public hearing. Alternatively, the county clerk may transmit the
15 notice to the taxpayer by electronic means at least 10 days in advance of
16 the public hearing, if such taxpayer and county clerk have consented in
17 writing to service by electronic means. Costs associated with the notice
18 shall be borne by the taxing subdivision or taxing district. The notice shall
19 include, but not be limited to:

20 (A) The ~~certified~~ **Estimated** tax rate and calculations used to compute the
21 ~~certified~~ **Estimated** tax rate;

22 (B) the proposed property tax revenue needed to fund the proposed
23 budget;

24 (C) the proposed tax rate based upon the proposed budget and the
25 current year's total assessed valuation;

26 (D) the tax rate and property tax of the taxing subdivision or taxing
27 district on the taxpayer's property from the previous year's tax statement;

28 (E) the proposed percent change in the tax rate between the previous
29 year's tax rate and the proposed tax rate for the current year;

30 (F) the appraised value and assessed value of the taxpayer's property
31 for the current year;

32 (G) the estimates of the tax for the current tax year on the taxpayer's
33 property based on the ~~certified~~ **Estimated** tax rate and the proposed tax rate; and
34 (H) the date, time and location of the public hearing.

35 (3) The public hearing to consider exceeding the ~~certified~~ **Estimated** tax rate
36 shall be held on or before September 15. The governing body shall provide
37 interested taxpayers desiring to be heard an opportunity to present oral
38 testimony within reasonable time limits and without unreasonable
39 restriction on the number of individuals allowed to make public comment.
40 The public hearing shall not be scheduled at the same time as a public
41 hearing of another taxing subdivision or taxing district in the county
42 scheduled for purposes of this section. The public hearing may be
43 conducted in conjunction with the proposed budget hearing pursuant to

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1 K.S.A. 79-2929, and amendments thereto, if the governing body otherwise
2 complies with all requirements of this section.

3 (4) A majority vote of the governing body, by the adoption of a
4 resolution or ordinance to approve exceeding the ~~certified~~ **Estimated** tax rate, shall be
5 required prior to adoption of a proposed budget that will result in a tax rate
6 in excess of the ~~certified~~ **Estimated** tax rate. Such vote of the governing body shall be
7 conducted at the public hearing after the governing body has heard from
8 interested taxpayers.

9 (e) Any governing body subject to the provisions of this section that
10 does not comply with subsection (d) shall refund to taxpayers any property
11 taxes over-collected based on the amount of the levy that was in excess of
12 the ~~certified~~ **Estimated** tax rate. The provisions of this subsection shall not be
13 construed as prohibiting any other remedies available under the law.

14 (f) The provisions of subsection (d) shall not apply if the increased
15 property tax revenue for the current year is the result of property tax levied
16 pursuant to K.S.A. 72-5142, and amendments thereto.

17 (g) Notwithstanding the provisions of K.S.A. 79-1801, and
18 amendments thereto, if the governing body of a taxing subdivision or
19 taxing district must conduct a public hearing to approve exceeding the
20 certified tax rate under this section, the governing body of the taxing
21 subdivision or taxing district shall certify, on or before October 1, to the
22 proper county clerk the amount of ad valorem tax to be levied. **The County Clerk shall compute
the final tax levy rate pursuant to K.S.A. 79-1803.**

23 (h) The provisions of this section shall not apply to any taxing
24 subdivision or taxing district that receives \$5,000 or less in revenue from
25 property taxes in the current year.

26 Sec. 2. This act shall take effect and be in force from and after its
27 publication in the statute book.