

Senate Substitute for HOUSE BILL No. 2063

By Committee on Assessment and Taxation

2-26

1 AN ACT concerning property taxation; relating to tax levies; discontinuing
2 the state tax levies for the Kansas educational building fund and the
3 state institutions building fund; providing financing therefor; amending
4 K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-6b05 and 76-6b11 and repealing
5 the existing sections.
6

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

8 Section 1. K.S.A. 76-6b01 is hereby amended to read as follows: 76-
9 6b01. (a) There is hereby levied ~~an annual permanent state tax in the year~~
10 ~~2019 a state tax of 1 mill~~ upon all tangible property in this state ~~which that~~
11 is subject to ad valorem taxation. ~~The tax levy shall be 6 mill in the year~~
12 ~~2003 and 1 mill in the year 2004 and each year thereafter until changed by~~
13 ~~statute.~~ Such tax levy shall be in addition to all other state tax levies
14 authorized by law. Such tax levy shall be for the use and benefit of the
15 state institutions of higher education. The proceeds of such tax levy shall
16 be apportioned in accordance with this act.

17 (b) The county treasurer of each county shall make the proceeds of
18 the tax levy provided for in this section available to the state treasurer
19 immediately upon collection. When available the state treasurer shall
20 withdraw from each county the proceeds of the taxes raised by such tax
21 levy. Upon such withdrawal the state treasurer shall deposit the same in the
22 state treasury and shall credit the same as provided in K.S.A. 76-6b02, *and*
23 *amendments thereto.*

24 Sec. 2. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
25 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-6b01,
26 and amendments thereto, *and pursuant to subsection (c)*, shall be credited
27 to the Kansas educational building fund to be used for the construction,
28 reconstruction, equipment and repair of buildings and grounds at the state
29 educational institutions under the control and supervision of the state
30 board of regents and for payment of debt service on revenue bonds issued
31 to finance such projects, all subject to appropriation by the legislature.

32 (b) Subject to any restrictions imposed by appropriation acts, the state
33 board of regents is authorized to pledge funds appropriated to it from the
34 Kansas educational building fund or from any other source and transferred
35 to a special revenue fund of the state board of regents specified by statute
36 for the payment of debt service on revenue bonds issued for the purposes

1 set forth in subsection (a). Subject to any restrictions imposed by
2 appropriation acts, the state board of regents is also authorized to pledge
3 any funds appropriated to it from the Kansas educational building fund or
4 from any other source and transferred to a special revenue fund of the state
5 board of regents specified by statute as a priority for the payment of debt
6 service on such revenue bonds. Neither the state or the state board of
7 regents shall have the power to pledge the faith and credit or taxing power
8 of the state of Kansas for such purposes and any payment by the state
9 board of regents for such purposes shall be subject to and dependent on
10 appropriations being made from time to time by the legislature. Any
11 obligation of the state board of regents for payment of debt service on
12 revenue bonds and any such revenue bonds issued for the purposes set
13 forth in subsection (a) shall not be considered a debt or obligation of the
14 state for the purpose of section 6 of article 11 of the constitution of the
15 state of Kansas.

16 *(c) On July 1, 2020, and on July 1 each year thereafter, or as soon*
17 *thereafter as sufficient moneys are available, \$38,300,000 shall be*
18 *transferred by the director of accounts and reports from the state general*
19 *fund to the Kansas educational building fund.*

20 Sec. 3. K.S.A. 76-6b04 is hereby amended to read as follows: 76-
21 6b04. (a) There is hereby levied ~~an annual permanent state tax in the year~~
22 ~~2019 a state tax of 0.5 mill~~ upon all tangible property in this state ~~which~~
23 ~~that~~ is subject to ad valorem taxation. ~~The tax levy shall be .3 mill in the~~
24 ~~year 2003 and .5 mill in the year 2004 and each year thereafter until~~
25 ~~changed by statute.~~ The tax levy shall be in addition to all other state tax
26 levies authorized by law. The tax levy shall be for the use and benefit of
27 state institutions caring for persons who are mentally ill, retarded, visually
28 handicapped, with a handicapping hearing loss or tubercular or state
29 institutions caring for children who are deprived, wayward, miscreant,
30 delinquent, children in need of care or juvenile offenders and who are in
31 need of residential care or treatment, or institutions designed primarily to
32 provide vocational rehabilitation for handicapped persons. As used in this
33 section, "state institutions" shall include, but not be limited to, those
34 institutions under the authority of the commissioner of juvenile justice.
35 The proceeds of such tax levy shall be apportioned in accordance with this
36 act.

37 (b) The county treasurer of each county shall make the proceeds of
38 the tax levy provided for in this section available to the state treasurer
39 immediately upon collection. When available, the state treasurer shall
40 withdraw from each county the proceeds of the taxes raised by such tax
41 levy. Upon such withdrawal the state treasurer shall deposit the same in the
42 state treasury and shall credit the same as provided in K.S.A. 76-6b05, and
43 amendments thereto.

1 Sec. 4. K.S.A. 76-6b05 is hereby amended to read as follows: 76-
2 6b05. (a) All moneys received by the state treasurer under K.S.A. 76-6b04,
3 and amendments thereto, *and pursuant to subsection (e)*, shall be credited
4 to the state institutions building fund, which is hereby created in the state
5 treasury, to be used for the construction, reconstruction, equipment and
6 repair of buildings and grounds at institutions specified in K.S.A. 76-6b04,
7 and amendments thereto, and for payment of debt service on revenue
8 bonds issued to finance such projects, all subject to appropriation by the
9 legislature.

10 (b) Subject to any restrictions imposed by appropriation acts, the
11 juvenile justice authority is authorized to pledge funds appropriated to it
12 from the state institutions building fund or from any other source and
13 transferred to a special revenue fund of the juvenile justice authority
14 specified by statute for the payment of debt service on revenue bonds
15 issued for the purposes set forth in subsection (a). Subject to any
16 restrictions imposed by appropriation acts, the juvenile justice authority is
17 also authorized to pledge any funds appropriated to it from the state
18 institutions building fund or from any other source and transferred to a
19 special revenue fund of the juvenile justice authority specified by statute as
20 a priority for the payment of debt service on such revenue bonds. Neither
21 the state or the juvenile justice authority shall have the power to pledge the
22 faith and credit or taxing power of the state of Kansas for such purposes
23 and any payment by the juvenile justice authority for such purposes shall
24 be subject to and dependent on appropriations being made from time to
25 time by the legislature. Any obligation of the juvenile justice authority for
26 payment of debt service on revenue bonds and any such revenue bonds
27 issued for the purposes set forth in subsection (a) shall not be considered a
28 debt or obligation of the state for the purpose of section 6 of article 11 of
29 the constitution of the state of Kansas.

30 (c) Subject to any restrictions imposed by appropriation acts, the
31 Kansas department for aging and disability services is authorized to pledge
32 funds appropriated to it from the state institutions building fund or from
33 any other source and transferred to a special revenue fund of the Kansas
34 department for aging and disability services specified by statute for the
35 payment of debt service on revenue bonds issued for a new state security
36 hospital on the Larned state hospital grounds or any other capital
37 improvement projects at any other institution or facility of the Kansas
38 department for aging and disability services. Subject to any restrictions
39 imposed by appropriation acts, the Kansas department for aging and
40 disability services is also authorized to pledge any funds appropriated to it
41 from the state institutions building fund or from any other source and
42 transferred to a special revenue fund of the Kansas department for aging
43 and disability services specified by statute as a priority for the payment of

1 debt service on such revenue bonds. Neither the state or the Kansas
2 department for aging and disability services shall have the power to pledge
3 the faith and credit or taxing power of the state of Kansas for such
4 purposes and any payment by the Kansas department for aging and
5 disability services for such purposes shall be subject to and dependent on
6 appropriations being made from time to time by the legislature. Any
7 obligation of the Kansas department for aging and disability services for
8 payment of debt service on revenue bonds and any such revenue bonds
9 issued for a new state security hospital on the Larned state hospital
10 grounds or any other capital improvement projects at any other institution
11 or facility of the Kansas department for aging and disability services shall
12 not be considered a debt or obligation of the state for the purpose of
13 section 6 of article 11 of the constitution of the state of Kansas.

14 (d) Subject to any restrictions imposed by appropriation acts, the
15 director of the Kansas commission on veterans affairs office is authorized
16 to pledge funds appropriated to it from the state institutions building fund
17 or from any other source and transferred to a special revenue fund of the
18 Kansas commission on veterans affairs office specified by statute for the
19 payment of debt service on revenue bonds issued for veterans' home
20 HVAC system replacement. Subject to any restrictions imposed by
21 appropriation acts, the director of the Kansas commission on veterans
22 affairs office is also authorized to pledge any funds appropriated to it from
23 the state institutions building fund or from any other source and transferred
24 to a special revenue fund of the Kansas commission on veterans affairs
25 office specified by statute as a priority for the payment of debt service on
26 such revenue bonds. Neither the state nor the director of the Kansas
27 commission on veterans affairs office shall have the power to pledge the
28 faith and credit or taxing power of the state of Kansas for such purposes
29 and any payment by the Kansas commission on veterans affairs office for
30 such purposes shall be subject to and dependent on appropriations being
31 made from time to time by the legislature. Any obligation of the Kansas
32 commission on veterans affairs office for payment of debt service on
33 revenue bonds and any such revenue bonds issued for veterans' home
34 HVAC system replacement shall not be considered a debt or obligation of
35 the state for the purpose of section 6 of article 11 of the constitution of the
36 state of Kansas.

37 (e) *On July 1, 2020, and on July 1 each year thereafter, or as soon*
38 *thereafter as sufficient moneys are available, \$19,200,000 shall be*
39 *transferred by the director of accounts and reports from the state general*
40 *fund to the state institutions building fund.*

41 Sec. 5. K.S.A. 76-6b11 is hereby amended to read as follows: 76-
42 6b11. (a) ~~Except as provided in subsection (e),~~ On July 1 of each year, the
43 director of accounts and reports shall record a debit to the state treasurer's

1 receivables for the Kansas educational building fund, the state institutions
2 building fund and the state general fund and shall record a corresponding
3 credit to each such fund in an amount equal to 95% of the amount credited
4 respectively to each such fund during the immediately preceding fiscal
5 year, except that such amount shall be proportionally adjusted with respect
6 to any such fund in any fiscal year for any change in the tax levy rate for
7 any such fund.

8 (b) All taxes received by the state treasurer under K.S.A. 76-6b01-
9 ~~and 76-6b04 and section 15 L. 2003, ch. 146, § 15, and amendments~~
10 ~~thereto, and the provisions of section 15 of chapter 146 of the 2003~~
11 ~~Session Laws of Kansas~~ during the current fiscal year shall be deposited in
12 the state treasury to the credit of the Kansas educational building fund, the
13 state institutions building fund and the state general fund, respectively, and
14 shall reduce the amount debited and credited to such funds under
15 subsection (a).

16 (c) On June 30 of each year, the director of accounts and reports shall
17 adjust the amounts debited and credited to the state treasurer's receivables
18 and to the Kansas educational building fund, the state institutions building
19 fund and the state general fund pursuant to this section, to reflect the taxes
20 actually received by the state treasurer and deposited during the fiscal year
21 in the state treasury to the credit of each such fund.

22 (d) The director of accounts and reports shall notify the state treasurer
23 of all amounts debited and credited to the Kansas educational building
24 fund, the state institutions building fund and the state general fund
25 pursuant to this section and all reductions and adjustments thereto made
26 pursuant to this section. The state treasurer shall enter all such amounts
27 debited and credited and shall make reductions and adjustments thereto on
28 the books and records kept and maintained for such funds by the state
29 treasurer in accordance with the notice thereof.

30 ~~(e) On October 1, 2003, the director of accounts and reports shall~~
31 ~~make such adjustments and amendments as may be required to reflect and~~
32 ~~account for the property tax imposed by K.S.A. 79-2976 as if such tax had~~
33 ~~been in effect on July 1, 2003. The provisions of this section shall expire on~~
34 ~~June 30, 2020.~~

35 Sec. 6. K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-6b05 and 76-6b11 are
36 hereby repealed.

37 Sec. 7. This act shall take effect and be in force from and after its
38 publication in the statute book.