

As Amended by Senate Committee

Session of 2021

SENATE BILL No. 13

By Senators Tyson, Alley, Baumgardner, Erickson, Fagg, Hilderbrand, Kerschen,
Longbine, Peck, Steffen, Thompson and Warren

1-8

Proposed Amendments
2021 Senate Bill No. 13
Prepared by: Office of Revisor of Statutes
Repeal of KSA 79-2925b and Hearing Date

1 AN ACT concerning property taxation; relating to tax levy rates,
2 establishing notice and public hearing requirements prior to approval
3 by a governing body to exceed its revenue neutral rate and
4 discontinuing the city and county tax lid; prohibiting valuation increase
5 of real property solely as the result of normal repair, replacement or
6 maintenance; establishment of a payment plan for the payment of
7 delinquent or nondelinquent taxes; amending K.S.A. 79-1460, 79-1801,
8 79-2024 and 79-2925c and repealing the existing sections.

; also repealing 79-2925b

9
10 *Be it enacted by the Legislature of the State of Kansas:*

11 New Section 1. (a) On or before June 15 each year, the county clerk
12 shall calculate the revenue neutral rate for each taxing subdivision and
13 include such revenue neutral rate on the notice of the estimated assessed
14 valuation provided to each taxing subdivision for budget purposes. The
15 director of accounts and reports shall modify the prescribed budget
16 information form to show the revenue neutral rate.

17 (b) No tax rate in excess of the revenue neutral rate shall be levied by
18 the governing body of any taxing subdivision unless a resolution or
19 ordinance has been approved by the governing body according to the
20 following procedure:

21 (1) The governing body shall publish notice of its proposed intent to
22 exceed the revenue neutral rate on the website of the governing body, if the
23 governing body maintains a website, at least 10 days in advance of the
24 public hearing. The notice shall include, but not be limited to, its proposed
25 tax rate, its revenue neutral rate and the date, time and location of the
26 public hearing.

27 (2) On or before July 15, the governing body shall notify the county
28 clerk of its proposed intent to exceed the revenue neutral rate and provide
29 the date, time and location of the public hearing and its proposed tax rate.
30 The county clerk shall notify each taxpayer with property in the taxing
31 subdivision, by mail directed to the taxpayer's last known address, of the
32 proposed intent to exceed the revenue neutral rate at least 10 days in
33 advance of the public hearing. Alternatively, the county clerk may transmit
34 the notice to the taxpayer by electronic means at least 10 days in advance
35 of the public hearing, if such taxpayer and county clerk have consented in

1 writing to service by electronic means. ~~Costs associated with~~ ***of printing***
 2 ***and postage for*** the notice shall be borne by the taxing subdivisions
 3 proposing intent to exceed the revenue neutral rate with payment due to
 4 the county clerk by December 31. The cost borne by a taxing subdivision
 5 proposing intent to exceed its revenue neutral rate shall be based on the
 6 ~~costs associated with~~ ***of printing and postage for*** the notices for property
 7 in such taxing subdivision, which shall be shared equally by all taxing
 8 subdivisions proposing intent to exceed the revenue neutral rate included
 9 on the same notices for such property, unless otherwise agreed. The county
 10 clerk shall consolidate the required information for all taxing subdivisions
 11 relevant to the taxpayer's property on one notice. The notice shall be in a
 12 format prescribed by the director of accounts and reports. The notice shall
 13 include, but not be limited to:

- 14 (A) The revenue neutral rate of each taxing subdivision relevant to
- 15 the taxpayer's property;
- 16 (B) the proposed property tax revenue needed to fund the proposed
- 17 budget of the taxing subdivision, if the taxing subdivision notified the
- 18 county clerk of its proposed intent to exceed its revenue neutral rate;
- 19 (C) the proposed tax rate based upon the proposed budget and the
- 20 current year's total assessed valuation of the taxing subdivision, if the
- 21 taxing subdivision notified the county clerk of its proposed intent to
- 22 exceed its revenue neutral rate;
- 23 (D) the tax rate and property tax of each taxing subdivision on the
- 24 taxpayer's property from the previous year's tax statement;
- 25 (E) the appraised value and assessed value of the taxpayer's property
- 26 for the current year;
- 27 (F) the estimates of the tax for the current tax year on the taxpayer's
- 28 property based on the revenue neutral rate of each taxing subdivision and
- 29 any proposed tax rates that exceed the revenue neutral rates;
- 30 (G) the difference between the estimates of tax based on the proposed
- 31 tax rate and the revenue neutral rate on the taxpayer's property described in
- 32 subparagraph (F) for any taxing subdivision that has a proposed tax rate
- 33 that exceeds its revenue neutral rate; and
- 34 (H) the date, time and location of the public hearing of the taxing
- 35 subdivision, if the taxing subdivision notified the county clerk of its
- 36 proposed intent to exceed its revenue neutral rate.

37 Although the state of Kansas is not a taxing subdivision for purposes of
 38 this section, the notice shall include a statement of the statutory mill levies
 39 imposed by the state and the estimate of the tax for the current year on the
 40 taxpayer's property based on such levies.

41 (3) The public hearing to consider exceeding the revenue neutral rate
 42 shall be held ~~on or before~~ September 10. The governing body shall provide
 43 interested taxpayers desiring to be heard an opportunity to present oral

not sooner than August 10 and not later than

1 construction or remodeling of buildings.

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

4 (A) In one or more of the next preceding three calendar years and the
5 increase in the amount of funding for the budget or appropriation from
6 revenue produced from property taxes does not exceed the average amount
7 of funding from such revenue of the next preceding three calendar years,
8 adjusted to reflect changes in the consumer price index for all urban
9 consumers as published by the United States department of labor for the
10 preceding calendar year; or

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

15 (5) Whenever a city or county is required by law to levy taxes for the
16 financing of the budget of any political or governmental subdivision of this
17 state that is not authorized by law to levy taxes on its own behalf, and the
18 governing body of such city or county is not authorized or empowered to
19 modify or reduce the amount of taxes levied therefore, the tax levies of the
20 political or governmental subdivision shall not be included in or
21 considered in computing the aggregate limitation upon the property tax
22 levies of the city or county.

23 (6) Any tax levy increase as a result of another taxing entity being
24 dissolved and all powers, responsibilities, duties and liabilities of the
25 taxing entity have been transferred to a city located in the county in which
26 the taxing entity is located, or to the county in which the taxing entity is
27 located, to carry on the function and responsibilities of the dissolved
28 taxing entity, so long as the levy increase does not exceed the levy of the
29 dissolved taxing entity.

30 Sec. 6. K.S.A. 79-1801, 79-2024 and 79-2925c are hereby repealed.

31 Sec. 7. On and after July 1, 2021, K.S.A. 79-1460 is hereby repealed.

32 Sec. 8. This act shall take effect and be in force from and after its
33 publication in the Kansas register.

, 79-2925b

79-2925b. Approval of budgets by taxing subdivisions, except cities and counties; requirement of majority vote by governing body, when; publication. (a) Without a majority vote so providing, the governing body of any municipality shall not approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year, adjusted to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding calendar year. If the total tangible property valuation in any municipality increases from the next preceding year due to increases in the assessed valuation of existing tangible property and such increase exceeds changes in the consumer price index, the governing body shall lower the amount of ad valorem tax to be levied to the amount of ad valorem tax levied in the next preceding year, adjusted to reflect changes in the consumer price index. This subsection shall not apply to ad valorem taxes levied under K.S.A. [76-6b01](#) and [76-6b04](#) and K.S.A. [72-5142](#), and amendments thereto, and any other ad valorem tax levy which was previously approved by the voters of such municipality. Notwithstanding the requirements of this subsection, nothing herein shall prohibit a municipality from increasing the amount of ad valorem tax to be levied if the municipality approves the proposed increase with a majority vote of the governing body by the adoption of a resolution and publishes its vote to approve the appropriation or budget including the increase as provided in subsection (c).

(b) Revenue that, in the current year, is produced and attributable to the taxation of:

(1) New improvements to real property;

(2) increased personal property valuation;

(3) property located within added jurisdictional territory; or

(4) property which has changed in use shall not be considered when determining whether revenue produced from property has increased from the next preceding year.

(c) In the event the governing body votes to approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year as provided in subsection (a), notice of such vote shall be published in the official county newspaper of the county where such municipality is located.

(d) The provisions of this section shall be applicable to all fiscal and budget years commencing on and after the effective date of this act.

(e) The provisions of this section shall not apply to revenue received from property tax levied for the sole purpose of repayment of the principal of and interest upon bonded indebtedness, temporary notes and no-fund warrants.

(f) For purposes of this section:

(1) "Municipality" means any political subdivision of the state which levies an ad valorem tax on property and includes, but is not limited to, any township, municipal university, school district, community college, drainage district or other taxing district;

(2) "municipality" shall not include:

(A) Any such political subdivision or taxing district which receives \$1,000 or less in revenue from property taxes in the current year; or

(B) any city or county.

History: L. 1999, ch. 154, § 21; L. 2014, ch. 37, § 1; L. 2015, ch. 4, § 76; L. 2015, ch. 99, § 5; L. 2015, ch. 102, § 2; L. 2015, ch. 105, § 1; L. 2016, ch. 66, § 5; L. 2017, ch. 95, § 106; July 1.