

**SENATE BILL No. 542**

By Committee on Assessment and Taxation

3-2

1 AN ACT concerning property taxation; relating to tax levy rates;  
2 establishing a revenue neutral rate complaint process; authorizing the  
3 county clerk to limit the amount of ad valorem taxes to be levied in  
4 certain circumstances; establishing a deadline for budgets to be filed  
5 with the director of accounts and reports; requiring roll call vote and  
6 publication of information; amending K.S.A. 79-2930 and K.S.A. 2021  
7 Supp. 79-2988 and repealing the existing sections.

8  
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 79-2930 is hereby amended to read as follows: 79-  
11 2930. (a) Two copies of the budget certificate giving the amount of ad  
12 valorem tax to be levied and the total amount of the adopted budget of  
13 expenditures by fund, along with itemized budget forms for each and  
14 every fund and proof of publication of the notice of budget hearing  
15 containing the budget summary shall be presented to the county clerk  
16 within the time prescribed by K.S.A. 79-1801, and amendments thereto.  
17 ~~Beginning in 2009~~; All such budget information shall be filed  
18 electronically with the county clerk. Where action has been taken under  
19 any statute to increase the amount of tax to be levied authorized by law, a  
20 statement showing the increased amount or tax levy rate voted, or a copy  
21 of the charter resolution or ordinance making the change, shall be attached  
22 to the budget each year the change is in effect.

23 (b) The county clerk shall make any reductions to the ad valorem tax  
24 to be levied, compute the tax levy rates based on the final equalized  
25 assessed valuation, and enter such on the budget certificate before attesting  
26 the budget, except that with regard to levies made under K.S.A. 75-2551,  
27 and amendments thereto, such levies shall be based upon the certified  
28 preliminary abstract of property values submitted to the director of  
29 property valuation pursuant to K.S.A. 79-1604, and amendments thereto.  
30 *Beginning in 2022, on or before December 31 each year*; a copy of all  
31 budgets for taxing subdivisions of the county, properly attested, shall be  
32 filed with the director of accounts and reports, along with a copy of the tax  
33 levy rate summary ~~required of the county treasurer by K.S.A. 79-2002, and~~  
34 ~~amendments thereto. Beginning in 2009~~, All such budget information shall  
35 be filed electronically with the director of accounts and reports.

36 (c) Each fund of the adopted budget certified to the county clerk in no

1 event shall exceed the amount of ad valorem tax to be levied and the  
2 proposed expenditures of such fund in the proposed budget as originally  
3 published. The governing body of each taxing subdivision shall not certify  
4 an amount of ad valorem taxes to be levied that is in excess of any tax levy  
5 rate or amount limitations or any aggregate tax levy limitations. The  
6 governing bodies, in fixing the amount may take into consideration and  
7 make allowance for the taxes which may not be paid, such allowance,  
8 however, shall not exceed by more than 5% the percentage of delinquency  
9 for the preceding tax year.

10 Sec. 2. K.S.A. 2021 Supp. 79-2988 is hereby amended to read as  
11 follows: 79-2988. (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) At least 10 days in advance of the public hearing, the governing  
22 body shall publish notice of its proposed intent to exceed the revenue  
23 neutral rate by publishing notice: (A) On the website of the governing  
24 body, if the governing body maintains a website; and

25 (B) in a weekly or daily newspaper of the county having a general  
26 circulation therein. The notice shall include, but not be limited to, its  
27 proposed tax rate, its revenue neutral rate and the date, time and location  
28 of the public hearing.

29 (2) On or before July 20, the governing body shall notify the county  
30 clerk of its proposed intent to exceed the revenue neutral rate and provide  
31 the date, time and location of the public hearing and its proposed tax rate.  
32 For all tax years commencing after December 31, 2021, the county clerk  
33 shall notify each taxpayer with property in the taxing subdivision, by mail  
34 directed to the taxpayer's last known address, of the proposed intent to  
35 exceed the revenue neutral rate at least 10 days in advance of the public  
36 hearing. Alternatively, the county clerk may transmit the notice to the  
37 taxpayer by electronic means at least 10 days in advance of the public  
38 hearing, if such taxpayer and county clerk have consented in writing to  
39 service by electronic means. The county clerk shall consolidate the  
40 required information for all taxing subdivisions relevant to the taxpayer's  
41 property on one notice. The notice shall be in a format prescribed by the  
42 director of accounts and reports. The notice shall include, but not be  
43 limited to:

1 (A) The revenue neutral rate of each taxing subdivision relevant to  
2 the taxpayer's property;

3 (B) the proposed property tax revenue needed to fund the proposed  
4 budget of the taxing subdivision, if the taxing subdivision notified the  
5 county clerk of its proposed intent to exceed its revenue neutral rate;

6 (C) the proposed tax rate based upon the proposed budget and the  
7 current year's total assessed valuation of the taxing subdivision, if the  
8 taxing subdivision notified the county clerk of its proposed intent to  
9 exceed its revenue neutral rate;

10 (D) *the percentage by which the proposed tax rate exceeds the*  
11 *revenue neutral rate;*

12 (E) the tax rate and property tax of each taxing subdivision on the  
13 taxpayer's property from the previous year's tax statement;

14 ~~(E)~~(F) the appraised value and assessed value of the taxpayer's  
15 property for the current year;

16 ~~(F)~~(G) the estimates of the tax for the current tax year on the  
17 taxpayer's property based on the revenue neutral rate of each taxing  
18 subdivision and any proposed tax rates that exceed the revenue neutral  
19 rates;

20 ~~(G)~~(H) the difference between the estimates of tax based on the  
21 proposed tax rate and the revenue neutral rate on the taxpayer's property  
22 described in subparagraph ~~(F)~~ (G) for any taxing subdivision that has a  
23 proposed tax rate that exceeds its revenue neutral rate; and

24 ~~(H)~~(I) the date, time and location of the public hearing of the taxing  
25 subdivision, if the taxing subdivision notified the county clerk of its  
26 proposed intent to exceed its revenue neutral rate.

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

31 (3) The public hearing to consider exceeding the revenue neutral rate  
32 shall be held not sooner than August 20 and not later than September 20.  
33 The governing body shall provide interested taxpayers desiring to be heard  
34 an opportunity to present oral testimony within reasonable time limits and  
35 without unreasonable restriction on the number of individuals allowed to  
36 make public comment. The public hearing may be conducted in  
37 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,  
38 and amendments thereto, if the governing body otherwise complies with  
39 all requirements of this section. Nothing in this section shall be construed  
40 to prohibit additional public hearings that provide additional opportunities  
41 to present testimony or public comment prior to the public hearing  
42 required by this section.

43 (4) A majority vote of the governing body, by the adoption of a

1 resolution or ordinance to approve exceeding the revenue neutral rate,  
2 shall be required prior to adoption of a proposed budget that will result in a  
3 tax rate in excess of the revenue neutral rate. Such vote of the governing  
4 body shall be conducted at the public hearing after the governing body has  
5 heard from interested taxpayers *and shall be a roll call vote*. If the  
6 governing body approves exceeding the revenue neutral rate, the  
7 governing body shall not adopt a budget that results in a tax rate in excess  
8 of its proposed tax rate as stated in the notice provided pursuant to this  
9 section. *A copy of the resolution or ordinance to approve exceeding the*  
10 *revenue neutral rate and a certified copy of any roll call vote reporting, at*  
11 *a minimum, the name and vote of each member of the governing body*  
12 *related to exceeding the revenue neutral rate, whether approved or not,*  
13 *shall be included with the adopted budget, budget certificate and other*  
14 *budget forms filed with the county clerk and the director of accounts and*  
15 *reports and shall be published on the website of the department of*  
16 *administration.*

17 (c) (1) Any governing body subject to the provisions of this section  
18 that does not comply with subsection (b) shall refund to taxpayers any  
19 property taxes over-collected based on the amount of the levy that was in  
20 excess of the revenue neutral rate.

21 (2) *Any taxpayer may file a complaint with the state board of tax*  
22 *appeals by filing a written complaint, on a form prescribed by the board,*  
23 *that contains the facts that the complaining party believes show that a*  
24 *governing body of a taxing subdivision did not comply with the provisions*  
25 *of subsection (b) and that a reduction or refund of taxes is appropriate.*  
26 *The complaining party shall provide a copy of such complaint to the*  
27 *governing body of the taxing subdivision making the levy that is the*  
28 *subject of the complaint. Notwithstanding K.S.A. 74-2438a, and*  
29 *amendments thereto, no filing fee shall be charged by the executive*  
30 *director of the state board of tax appeals for a complaint filed pursuant to*  
31 *this paragraph. The governing body of the taxing subdivision making the*  
32 *levy that is the subject of the complaint shall be a party to the proceeding.*  
33 *Notice of any summary proceeding or hearing shall be served upon such*  
34 *governing body, the county clerk, the director of accounts and reports and*  
35 *the complaining party. It shall be the duty of the governing body to initiate*  
36 *the production of evidence to demonstrate, by a preponderance of the*  
37 *evidence, the validity of such levy. If upon a summary proceeding or*  
38 *hearing, it shall be made to appear to the satisfaction of the board that the*  
39 *governing body of the taxing subdivision did not comply with subsection*  
40 *(b), the state board of tax appeals shall order such governing body to*  
41 *refund to taxpayers the amount of property taxes over collected or reduce*  
42 *the taxes levied, if uncollected. The provisions of this*  
43 *subsection/paragraph shall not be construed as prohibiting any other*

1 remedies available under the law.

2 (d) (1) Notwithstanding any other provision of law to the contrary, if  
3 the governing body of a taxing subdivision must conduct a public hearing  
4 to approve exceeding the revenue neutral rate under this section, the  
5 governing body of the taxing subdivision shall certify, on or before  
6 October 1, to the proper county clerk the amount of ad valorem tax to be  
7 levied.

8 (2) *If a governing body of a taxing subdivision did not comply with*  
9 *the provisions of subsection (b) and certifies to the county clerk an amount*  
10 *of ad valorem tax to be levied that would result in a tax rate in excess of*  
11 *its revenue neutral rate, the county clerk shall reduce the ad valorem tax*  
12 *to be levied to the amount resulting from such taxing subdivision's revenue*  
13 *neutral rate.*

14 (e) As used in this section:

15 (1) "Taxing subdivision" means any political subdivision of the state  
16 that levies an ad valorem tax on property.

17 (2) "Revenue neutral rate" means the tax rate for the current tax year  
18 that would generate the same property tax revenue as levied the previous  
19 tax year using the current tax year's total assessed valuation. To calculate  
20 the revenue neutral rate, the county clerk shall divide the property tax  
21 revenue for such taxing subdivision levied for the previous tax year by the  
22 total of all taxable assessed valuation in such taxing subdivision for the  
23 current tax year, and then multiply the quotient by 1,000 to express the rate  
24 in mills. The revenue neutral rate shall be expressed to the third decimal  
25 place.

26 (f) In the event that a county clerk incurred costs of printing and  
27 postage that were not reimbursed pursuant to K.S.A. 2021 Supp. 79-2989,  
28 and amendments thereto, such county clerk may seek reimbursement from  
29 all taxing subdivisions required to send the notice. Such costs shall be  
30 shared proportionately by all taxing subdivisions that were included on the  
31 same notice based on the total property tax levied by each taxing  
32 subdivision. Payment of such costs shall be due to the county clerk by  
33 December 31.

34 (g) ~~The provisions of this section shall take effect and be in force~~  
35 ~~from and after January 1, 2021~~ *The department of administration or the*  
36 *director of accounts and reports shall make copies of adopted budgets,*  
37 *budget certificates, other budget documents and revenue neutral rate*  
38 *documents available to the public on the department of administration's*  
39 *website on a permanently accessible web page that may be accessed via a*  
40 *conspicuous link to that web page placed on the front page of the*  
41 *department's website. The department of administration or the director of*  
42 *accounts and reports shall also make the following information for each*  
43 *tax year available on such website:*

- 1       (1) *A list of taxing subdivisions by county;*
- 2       (2) *whether each taxing subdivision conducted a hearing to consider*
- 3 *exceeding its revenue neutral rate;*
- 4       (3) *the revenue neutral rate of each taxing subdivision;*
- 5       (4) *the tax rate resulting from the adopted budget of each taxing*
- 6 *subdivision; and*
- 7       (5) *the percent change between the revenue neutral rate and the tax*
- 8 *rate for each taxing subdivision.*

9       Sec. 3. K.S.A. 79-2930 and K.S.A. 2021 Supp. 79-2988 are hereby  
10 repealed.

11       Sec. 4. This act shall take effect and be in force from and after its  
12 publication in the statute book.