

SENATE BILL No. 138

By Committee on Assessment and Taxation

2-2

1 AN ACT concerning property taxation; relating to exemptions; expanding
2 and clarifying the exemption for Strother field airport property;
3 *increasing the extent of exemption for residential property from the*
4 *statewide school levy; relating to tax levies; discontinuing the state*
5 *tax levies for the Kansas educational building fund and the state*
6 *institutions building fund; providing financing therefor from the*
7 *state general fund; amending K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-*
8 *6b05, 76-6b11 and 79-201r and K.S.A. 2022 Supp. 79-201x and*
9 *repealing the existing section sections.*

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

12 *Section 1. K.S.A. 76-6b01 is hereby amended to read as follows: 76-*
13 *6b01. (a) There is hereby levied an annual permanent state tax in the year*
14 *2023 a state tax of 1 mill upon all tangible property in this state which*
15 *that is subject to ad valorem taxation. The tax levy shall be .6 mill in the*
16 *year 2003 and 1 mill in the year 2004 and each year thereafter until*
17 *changed by statute. Such tax levy shall be in addition to all other state*
18 *tax levies authorized by law. Such tax levy shall be for the use and*
19 *benefit of the state institutions of higher education. The proceeds of*
20 *such tax levy shall be apportioned in accordance with this act.*

21 *(b) The county treasurer of each county shall make the proceeds of*
22 *the tax levy provided for in this section available to the state treasurer*
23 *immediately upon collection. When available the state treasurer shall*
24 *withdraw from each county the proceeds of the taxes raised by such tax*
25 *levy. Upon such withdrawal the state treasurer shall deposit the same in*
26 *the state treasury and shall credit the same as provided in K.S.A. 76-*
27 *6b02, and amendments thereto.*

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

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

21 ***(c) On July 1, 2024, or as soon thereafter as moneys are available,***
22 ***\$41,800,000 shall be transferred by the director of accounts and reports***
23 ***from the state general fund to the Kansas educational building fund. On***
24 ***July 1, 2025, and on July 1 each year thereafter, or as soon thereafter as***
25 ***moneys are available, an amount equal to the amount pursuant to this***
26 ***subsection for the immediately preceding year plus 2% shall be***
27 ***transferred by the director of accounts and reports from the state general***
28 ***fund to the Kansas educational building fund.***

29 ***Sec. 3. K.S.A. 76-6b04 is hereby amended to read as follows: 76-***
30 ***6b04. (a) There is hereby levied***~~***an annual permanent state tax in the year***~~
31 ***2023 a state tax of 0.5 mill upon all tangible property in this state***~~***which***~~
32 ***that is subject to ad valorem taxation.***~~***The tax levy shall be .3 mill in the***~~
33 ~~***year 2003 and .5 mill in the year 2004 and each year thereafter until***~~
34 ~~***changed by statute.***~~***The tax levy shall be in addition to all other state tax***
35 ***levies authorized by law. The tax levy shall be for the use and benefit of***
36 ***state institutions caring for persons who are mentally ill, retarded,***
37 ***visually handicapped, with a handicapping hearing loss or tubercular or***
38 ***state institutions caring for children who are deprived, wayward,***
39 ***miscreant, delinquent, children in need of care or juvenile offenders and***
40 ***who are in need of residential care or treatment, or institutions designed***
41 ***primarily to provide vocational rehabilitation for handicapped persons.***
42 ***As used in this section, "state institutions" shall include, but not be***
43 ***limited to, those institutions under the authority of the commissioner of***

1 *juvenile justice. The proceeds of such tax levy shall be apportioned in*
2 *accordance with this act.*

3 *(b) The county treasurer of each county shall make the proceeds of*
4 *the tax levy provided for in this section available to the state treasurer*
5 *immediately upon collection. When available, the state treasurer shall*
6 *withdraw from each county the proceeds of the taxes raised by such tax*
7 *levy. Upon such withdrawal the state treasurer shall deposit the same in*
8 *the state treasury and shall credit the same as provided in K.S.A. 76-*
9 *6b05, and amendments thereto.*

10 *Sec. 4. K.S.A. 76-6b05 is hereby amended to read as follows: 76-*
11 *6b05. (a) All moneys received by the state treasurer under K.S.A. 76-*
12 *6b04, and amendments thereto, and pursuant to subsection (e) shall be*
13 *credited to the state institutions building fund, which is hereby created in*
14 *the state treasury, to be used for the construction, reconstruction,*
15 *equipment and repair of buildings and grounds at institutions specified*
16 *in K.S.A. 76-6b04, and amendments thereto, and for payment of debt*
17 *service on revenue bonds issued to finance such projects, all subject to*
18 *appropriation by the legislature.*

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

39 *(c) Subject to any restrictions imposed by appropriation acts, the*
40 *Kansas department for aging and disability services is authorized to*
41 *pledge funds appropriated to it from the state institutions building fund*
42 *or from any other source and transferred to a special revenue fund of*
43 *the Kansas department for aging and disability services specified by*

1 *statute for the payment of debt service on revenue bonds issued for a*
2 *new state security hospital on the Larned state hospital grounds or any*
3 *other capital improvement projects at any other institution or facility of*
4 *the Kansas department for aging and disability services. Subject to any*
5 *restrictions imposed by appropriation acts, the Kansas department for*
6 *aging and disability services is also authorized to pledge any funds*
7 *appropriated to it from the state institutions building fund or from any*
8 *other source and transferred to a special revenue fund of the Kansas*
9 *department for aging and disability services specified by statute as a*
10 *priority for the payment of debt service on such revenue bonds. Neither*
11 *the state or the Kansas department for aging and disability services shall*
12 *have the power to pledge the faith and credit or taxing power of the state*
13 *of Kansas for such purposes and any payment by the Kansas department*
14 *for aging and disability services for such purposes shall be subject to*
15 *and dependent on appropriations being made from time to time by the*
16 *legislature. Any obligation of the Kansas department for aging and*
17 *disability services for payment of debt service on revenue bonds and any*
18 *such revenue bonds issued for a new state security hospital on the*
19 *Larned state hospital grounds or any other capital improvement projects*
20 *at any other institution or facility of the Kansas department for aging*
21 *and disability services shall not be considered a debt or obligation of the*
22 *state for the purpose of section 6 of article 11 of the constitution of the*
23 *state of Kansas.*

24 *(d) Subject to any restrictions imposed by appropriation acts, the*
25 *director of the Kansas commission on veterans affairs office is*
26 *authorized to pledge funds appropriated to it from the state institutions*
27 *building fund or from any other source and transferred to a special*
28 *revenue fund of the Kansas commission on veterans affairs office*
29 *specified by statute for the payment of debt service on revenue bonds*
30 *issued for veterans' home HVAC system replacement. Subject to any*
31 *restrictions imposed by appropriation acts, the director of the Kansas*
32 *commission on veterans affairs office is also authorized to pledge any*
33 *funds appropriated to it from the state institutions building fund or from*
34 *any other source and transferred to a special revenue fund of the*
35 *Kansas commission on veterans affairs office specified by statute as a*
36 *priority for the payment of debt service on such revenue bonds. Neither*
37 *the state nor the director of the Kansas commission on veterans affairs*
38 *office shall have the power to pledge the faith and credit or taxing power*
39 *of the state of Kansas for such purposes and any payment by the Kansas*
40 *commission on veterans affairs office for such purposes shall be subject*
41 *to and dependent on appropriations being made from time to time by the*
42 *legislature. Any obligation of the Kansas commission on veterans affairs*
43 *office for payment of debt service on revenue bonds and any such*

1 *revenue bonds issued for veterans' home HVAC system replacement*
2 *shall not be considered a debt or obligation of the state for the purpose*
3 *of section 6 of article 11 of the constitution of the state of Kansas.*

4 (e) *On July 1, 2024, or as soon thereafter as moneys are available,*
5 *\$20,900,000 shall be transferred by the director of accounts and reports*
6 *from the state general fund to the state institutions building fund. On July*
7 *1, 2025, and on July 1 each year thereafter; or as soon thereafter as*
8 *moneys are available, an amount equal to the amount pursuant to this*
9 *subsection for the immediately preceding year plus 2% shall be*
10 *transferred by the director of accounts and reports from the state general*
11 *fund to the state institutions building fund.*

12 **Sec. 5. K.S.A. 76-6b11 is hereby amended to read as follows: 76-**
13 **6b11. (a)** ~~Except as provided in subsection (e);~~ *On July 1 of each year, the*
14 *director of accounts and reports shall record a debit to the state*
15 *treasurer's receivables for the Kansas educational building fund, the*
16 *state institutions building fund and the state general fund and shall*
17 *record a corresponding credit to each such fund in an amount equal to*
18 *95% of the amount credited respectively to each such fund during the*
19 *immediately preceding fiscal year, except that such amount shall be*
20 *proportionally adjusted with respect to any such fund in any fiscal year*
21 *for any change in the tax levy rate for any such fund.*

22 (b) *All taxes received by the state treasurer under K.S.A. 76-6b01-*
23 *and 76-6b04 and section 15 [L. 2003, ch. 146, § 15], and amendments*
24 *thereto, and the provisions of section 15 of chapter 146 of the 2003*
25 *Session Laws of Kansas during the current fiscal year shall be deposited*
26 *in the state treasury to the credit of the Kansas educational building*
27 *fund, the state institutions building fund and the state general fund,*
28 *respectively, and shall reduce the amount debited and credited to such*
29 *funds under subsection (a).*

30 (c) *On June 30 of each year, the director of accounts and reports*
31 *shall adjust the amounts debited and credited to the state treasurer's*
32 *receivables and to the Kansas educational building fund, the state*
33 *institutions building fund and the state general fund pursuant to this*
34 *section, to reflect the taxes actually received by the state treasurer and*
35 *deposited during the fiscal year in the state treasury to the credit of each*
36 *such fund.*

37 (d) *The director of accounts and reports shall notify the state*
38 *treasurer of all amounts debited and credited to the Kansas educational*
39 *building fund, the state institutions building fund and the state general*
40 *fund pursuant to this section and all reductions and adjustments thereto*
41 *made pursuant to this section. The state treasurer shall enter all such*
42 *amounts debited and credited and shall make reductions and*
43 *adjustments thereto on the books and records kept and maintained for*

1 ***such funds by the state treasurer in accordance with the notice thereof.***

2 ~~(e) On October 1, 2003, the director of accounts and reports shall~~
3 ~~make such adjustments and amendments as may be required to reflect and~~
4 ~~account for the property tax imposed by K.S.A. 79-2976 as if such tax had~~
5 ~~been in effect on July 1, 2003. The provisions of this section shall expire~~
6 ~~on June 30, 2024.~~

7 ~~Section 1.~~ **Sec. 6.** K.S.A. 79-201r is hereby amended to read as
8 follows: 79-201r. For all taxable years commencing after December 31,
9 1991, the Strother field airport commission *and the political subdivisions*
10 *comprising the Strother field airport commission* shall be exempt from the
11 payment of ad valorem taxes levied by the state and any other political or
12 taxing subdivision of the state on property owned by ~~it prior to and on~~
13 ~~January 1, 1992~~ *the Strother field airport commission or the political*
14 *subdivisions comprising the Strother field airport commission and*
15 *depicted on the airport's federally approved airport layout plan whether*
16 *used for aviation related purposes, to promote aviation commerce or to*
17 *provide revenue to operate all Strother field components and activities.*
18 *Such property shall be and is hereby exempt from all property or ad*
19 *valorem taxes levied under the laws of the state of Kansas.* All property
20 taxes, including any penalties and interest accrued thereon, imposed upon
21 any property herein described for all taxable years commencing prior to
22 January 1, ~~1992~~ 2023, are hereby declared to be cancelled but any such
23 amounts paid in any such year shall not be refunded.

24 **Sec. 7.** *K.S.A. 2022 Supp. 79-201x is hereby amended to read as*
25 *follows: 79-201x. (a) For taxable year 2022* 2023, *and all taxable years*
26 *thereafter, the following described property, to the extent herein*
27 *specified, shall be and is hereby exempt from the property tax levied*
28 *pursuant to the provisions of K.S.A. 72-5142, and amendments thereto:*
29 *Property used for residential purposes to the extent of* ~~\$40,000~~ \$65,000
30 *of its appraised valuation.*

31 *(b) For taxable year 2023* 2024, *and all taxable years thereafter, the*
32 *dollar amount of the extent of appraised valuation that is exempt*
33 *pursuant to subsection (a) shall be adjusted to reflect the average*
34 *percentage change in statewide residential valuation of all residential*
35 *real property for the preceding 10 years. Such average percentage*
36 *change shall not be less than zero. The director of property valuation*
37 *shall calculate the average percentage change for purposes of this*
38 *annual adjustment and calculate the dollar amount of the extent of*
39 *appraised valuation that is exempt pursuant to this section each year.*

40 ~~Sec. 2.~~ **8.** K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-6b05, 76-6b11 and
41 79-201r ~~is~~ *and K.S.A. 2022 Supp. 79-201x* are hereby repealed.

42 ~~Sec. 3.~~ **9.** This act shall take effect and be in force from and after its
43 publication in the statute book.