

Substitute for HOUSE BILL No. 2193

By By Committee on Education

3-21

1 AN ACT concerning school districts; relating to school finance;
2 authorizing tax levy, procedure and limitations; local activities budget.

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

5 Section 1. (a) As used in sections 1 and 2, and amendments thereto:

6 (1) "School district" or "district" means a school district which has
7 adopted a local option budget not less than 30% of the state financial aid
8 of the district in the current school year.

9 (2) "Authorized to adopt a local activities budget" means that a
10 district has adopted a resolution under this section, and the resolution was
11 approved at an election thereon.

12 (3) "Local activities budget computation factor" of each school
13 district means the product of: (A) The full-time equivalent enrollment of
14 the district in the preceding school year; (B) the amount of base state aid
15 per pupil; and (C) five percent.

16 (4) "Statutorily prescribed mill rate" means 4.9 mills.

17 (b) Each school year, the board of education of any district, by
18 resolution, may adopt a local activities budget.

19 (c) (1) The board of education of any school district that has adopted
20 a local activities budget may levy an ad valorem tax on the taxable
21 tangible property of the district for the purpose of financing that portion of
22 the district's local activities budget which is not financed from any other
23 source provided by law and for the purpose of paying a portion of the
24 principal and interest on bonds issued by cities under authority of K.S.A.
25 12-1774, and amendments thereto, for the financing of redevelopment
26 projects upon property located within the district. Such levy shall be at a
27 rate equal to or greater than 1.78 mills, but shall not exceed the statutorily
28 prescribed mill rate. No levy shall be made under this section until a
29 resolution is adopted by the board of education and such resolution is
30 submitted to and approved by a majority of the qualified electors of the
31 school district voting on the question at an election thereon. The
32 resolution submitted to the qualified electors of the school district shall
33 specify the mill rate used to fund the local activities budget. If the
34 resolution is not approved by a majority of the voters voting on the
35 question at the election thereon, no like resolution shall be adopted by the

1 board within the nine months following publication of the resolution.

2 (2) The proceeds from the tax levied by a district under authority of
3 this section, except the proceeds of such tax levied for the purpose of
4 paying a portion of the principal and interest on bonds issued by cities
5 under authority of K.S.A. 12-1774, and amendments thereto, for the
6 financing of redevelopment projects upon property located within the
7 district, shall be deposited into the local activities fund of the district.

8 (3) In a year, if a board of education of a school district chooses not
9 to make a tax levy authorized under this section, or chooses to make a
10 smaller tax levy for such purpose, such board of education may do so. If
11 the board of education of any school district refrains from making a levy in
12 any one or more years or refrains from making the full levy which it is
13 authorized to make under this section and the resolution adopted
14 thereunder, the authority of such school district to make such a tax levy
15 shall not be extended beyond the original period specified in the resolution
16 adopted under this subsection nor shall the mill rate of the tax authorized
17 in any succeeding year be increased.

18 (4) Whenever an initial resolution has been adopted under this
19 subsection and such resolution specified a lesser mill rate than the
20 statutorily prescribed mill rate or a lesser number of years than five, the
21 board of education of the school district may adopt one or more
22 subsequent resolutions under the same procedure as provided for the initial
23 resolution and subject to the same conditions, and shall be authorized to
24 increase the mill rate as specified in any such subsequent resolution. Any
25 mill rate specified in a subsequent resolution or in subsequent resolutions
26 shall be limited so that the sum of the mill rates authorized in the initial
27 resolution and the percentage authorized in any subsequent resolution is
28 not in excess of the statutorily prescribed mill rate.

29 (5) The authority to adopt a local activities budget granted by the
30 resolution to a school district shall expire five years from the date of the
31 election in which the resolution was approved by the majority of the
32 qualified electors of the school district voting on the question at the
33 election thereon. Upon expiration, no school district shall levy a tax under
34 this subsection unless a new resolution has been approved at an election in
35 accordance with this subsection.

36 (d) Any election called pursuant to this section shall be noticed, called
37 and held in the manner provided by K.S.A. 10-120, and amendments
38 thereto, for the noticing, calling and holding of elections upon the question
39 of issuing bonds under the general bond law. Such election may be
40 conducted in the manner provided by the mail ballot act.

41 (e) (1) There is hereby established in every district that adopts a local
42 activities budget a fund which shall be called the local activities fund. The
43 fund shall consist of all amounts deposited therein or credited thereto

1 according to law.

2 (2) Except as provided by paragraph (3), amounts in the local
3 activities fund may be expended for any purpose for which expenditures
4 from the general fund are authorized or may be transferred to the general
5 fund of the district or to any program weighted fund or categorical fund of
6 the district.

7 (3) Amounts in the local activities fund may not be expended nor
8 transferred to the general fund of the district for the purpose of funding the
9 cost of providing the subjects or areas of instruction required by state law
10 to be provided in accredited schools, including reasonable and necessary
11 related instruction, administration, support staff, supplies, equipment and
12 building costs.

13 (4) Any balance remaining in the local activities fund at the end of the
14 school year shall be carried forward into that fund for succeeding school
15 years. Such fund shall not be subject to the provisions of K.S.A. 79-2925
16 through 79-2937, and amendments thereto. In preparing the local activities
17 budget of such school district, the amounts credited to and the amount on
18 hand in the local activities fund, and the amount expended therefrom shall
19 be included in the annual local activities fund budget for the information
20 of the residents of the school district. Interest earned on the investment of
21 moneys in any such fund shall be credited to that fund.

22 Sec. 2. (a) There is hereby created in the state treasury the local
23 activities equalization fund. The state board of education shall administer
24 the local activities equalization fund in accordance with this section.
25 Expenditures from the local activities equalization fund shall only be made
26 for the purposes of subsection (c), and shall be made in accordance with
27 the provisions of appropriation acts upon warrants of the director of
28 accounts and reports issued pursuant to vouchers approved by the state
29 board of education, or a person or persons designated by the state board of
30 education.

31 (b) In each school year, if a district has levied a tax under section 1,
32 and amendments thereto, and the total revenue collected from such tax for
33 such school year is an amount greater than the district's local activities
34 budget computation factor, then such district shall remit to the state board
35 an amount equal to the difference between the total revenue collected from
36 such tax for such school year and the district's local activities budget
37 computation factor. Upon receipt of such amount, the state board shall
38 remit such amount to the state treasurer in accordance with the provisions
39 of K.S.A. 75-4215, and amendments thereto. Upon the receipt of each
40 such remittance, the state treasurer shall deposit the entire amount in the
41 state treasury to the credit of the local activities equalization fund.

42 (c) In each school year, if a district has levied a tax pursuant to
43 section 1, and amendments thereto, at the statutorily prescribed mill rate,

1 and the total revenue collected from such tax for such school year is an
2 amount less than the district's local activities budget computation factor,
3 then such district shall be entitled to receive an amount equal to the
4 difference between the district's local activities budget computation factor
5 and the total revenue collected from such tax for such school year. Moneys
6 payable to school districts under this subsection shall be paid solely from
7 the local activities equalization fund.

8 (d) If the amount of appropriations for payments to be made under
9 subsection (c) is less than the amount each district is entitled to receive for
10 the school year, the state board shall prorate the amount appropriated
11 among the districts in proportion to the amount each district is entitled to
12 receive.

13 (e) The state board shall prescribe the dates upon which payments of
14 any amounts school districts are entitled to receive under subsection (c)
15 shall be due. Payments shall be distributed to districts on the dates
16 prescribed by the state board. The state board shall certify to the director of
17 accounts and reports the amount due each district, and the director of
18 accounts and reports shall draw a warrant on the state treasurer payable to
19 the treasurer of the district. Upon receipt of the warrant, the treasurer of
20 the district shall credit the amount thereof to the local activities fund of the
21 district to be used for the purposes of such fund.

22 Sec. 3. The state board shall adopt rules and regulations necessary to
23 implement and administer the provisions of sections 1 and 2, and
24 amendments thereto.

25 Sec. 4. This act shall take effect and be in force from and after its
26 publication in the Kansas register.

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