

## HOUSE BILL No. 2493

By Committee on Taxation

1-20

1 AN ACT concerning property taxation; relating to cities and counties,  
2 election requirements for certain budget increases; amending K.S.A.  
3 2015 Supp. 79-2925b and repealing the existing section.

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

6 Section 1. K.S.A. 2015 Supp. 79-2925b is hereby amended to read as  
7 follows: 79-2925b. (a) Without a majority vote so providing, the governing  
8 body of any municipality shall not approve any appropriation or budget, as  
9 the case requires, which may be funded by revenue produced from  
10 property taxes, and which provides for funding with such revenue in an  
11 amount exceeding that of the next preceding year, adjusted to reflect  
12 changes in the consumer price index for all urban consumers as published  
13 by the United States department of labor for the preceding calendar year. If  
14 the total tangible property valuation in any municipality increases from the  
15 next preceding year due to increases in the assessed valuation of existing  
16 tangible property and such increase exceeds changes in the consumer price  
17 index, the governing body shall lower the amount of ad valorem tax to be  
18 levied to the amount of ad valorem tax levied in the next preceding year,  
19 adjusted to reflect changes in the consumer price index. This subsection  
20 shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-  
21 6b04 and K.S.A. 2015 Supp. 72-6470, and amendments thereto, and any  
22 other ad valorem tax levy which was previously approved by the voters of  
23 such municipality. ~~Except as provided in subsection (g),~~ Notwithstanding  
24 the requirements of this subsection, nothing herein shall prohibit a  
25 municipality from increasing the amount of ad valorem tax to be levied if  
26 the municipality approves the increase with a majority vote of the  
27 governing body ~~by the adoption of a resolution~~ and publishes such vote as  
28 provided in subsection (c).

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

- 31 (1) New improvements to real property;
- 32 (2) increased personal property valuation, other than increased  
33 valuation of oil and gas leaseholds and mobile homes;
- 34 (3) property located within added jurisdictional territory; or
- 35 (4) property which has changed in use shall not be considered when  
36 determining whether revenue produced from property has increased from

1 the next preceding year.

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

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

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

15 (f) For purposes of this section, "municipality" means any political  
16 subdivision of the state which levies an ad valorem tax on property and  
17 includes, but is not limited to, any county, township, municipal university,  
18 school district, community college, drainage district or other taxing  
19 district. "Municipality" shall not include any such political subdivision or  
20 taxing district which receives \$1,000 or less in revenue from property  
21 taxes in the current year.

22 ~~(g) On and after January 1, 2018: (1) In the case of cities and~~  
23 ~~counties, any resolution by the governing body otherwise required by this~~  
24 ~~section to adopt any appropriation or budget which provides for funding~~  
25 ~~by property tax revenue in an amount exceeding that of the next preceding~~  
26 ~~year as adjusted pursuant to subsection (a) to reflect changes in the~~  
27 ~~consumer price index, shall not become effective unless such resolution~~  
28 ~~has been submitted to and approved by a majority of the qualified electors~~  
29 ~~of the city or county voting at an election called and held thereon, except~~  
30 ~~as otherwise provided. The election shall be called and held in the manner~~  
31 ~~provided by K.S.A. 10-120, and amendments thereto, at the next regularly~~  
32 ~~scheduled election to be held in August or November, or may be a mail~~  
33 ~~ballot election, conducted in accordance with K.S.A. 25-431 et seq., and~~  
34 ~~amendments thereto, or may be a special election called by the city or~~  
35 ~~county. Nothing in this subsection shall prevent any city or county from~~  
36 ~~holding more than one election in any year.~~

37 ~~(2) A resolution by the governing body of a city or county otherwise~~  
38 ~~required by the provisions of this section shall not be required to be~~  
39 ~~approved by an election required by subsection (g)(1) under the following~~  
40 ~~circumstances:~~

41 ~~(A) The increase in the amount of ad valorem tax to be levied that is~~  
42 ~~greater than the change in the consumer price index is due to:~~

43 ~~(i) Costs for new infrastructure or improvements to existing~~

1 ~~infrastructure to support new improvements to property exempt from~~  
2 ~~property taxation pursuant to the provisions of K.S.A. 79-201 et seq., and~~  
3 ~~amendments thereto, such as hospitals, schools and churches, or exempt~~  
4 ~~additions to or improvements to property so exempt from property~~  
5 ~~taxation;~~

6 (ii) ~~bond and interest payments;~~

7 (iii) ~~an increase in property subject to taxation as the result of the~~  
8 ~~expiration of any abatement of property from property tax;~~

9 (iv) ~~increases in road construction costs when such construction has~~  
10 ~~been once approved by a resolution of the governing body of the city or~~  
11 ~~county;~~

12 (v) ~~special assessments;~~

13 (vi) ~~judgments levied against the city or county or expenses for legal~~  
14 ~~counsel and for defense of legal actions against the city or county or~~  
15 ~~officers of the city or county;~~

16 (vii) ~~new expenditures that are specifically mandated by federal or~~  
17 ~~state law; or~~

18 (viii) ~~an increase in property subject to taxation as the result of new~~  
19 ~~construction;~~

20 (B) ~~the assessed valuation has declined in one or more of the next~~  
21 ~~preceding three calendar years and the increase in the amount of funding~~  
22 ~~for the budget or appropriation from revenue produced from property taxes~~  
23 ~~does not exceed the average amount of funding from such revenue of the~~  
24 ~~next preceding three calendar years, adjusted to reflect changes in the~~  
25 ~~consumer price index for all urban consumers as published by the United~~  
26 ~~States department of labor for the preceding calendar year; or~~

27 (C) ~~the increase in the amount of ad valorem tax to be levied is less~~  
28 ~~than the change in the consumer price index plus the loss of assessed~~  
29 ~~property valuation that has occurred as the result of legislative action,~~  
30 ~~judicial action or a ruling by the board of tax appeals.~~

31 Sec. 2. K.S.A. 2015 Supp. 79-2925b is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after its  
33 publication in the statute book.