

*{As Amended by Senate Committee of the Whole}*

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Session of 2017

**SENATE BILL No. 146**

By Committee on Assessment and Taxation

2-2

Proposed Amendments to  
SB No. 146  
Clarifying  
April 20, 2017

1 AN ACT concerning property taxation; authorizing continuation of  
2 statewide levy for schools, *limitation on exemption for certain*  
3 *property* and exemption of portion of residential property thereon;  
4 amending K.S.A. 2016 Supp. 72-6470 and 79-201x and repealing the  
5 existing sections.

apportionment, payment in lieu of taxes;

12-1742,

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

8 *New Section 1. No ad valorem tax exemption for real or personal*  
9 *property granted after the effective date of this act by any governing*  
10 *body of any city or the board of county commissioners of any county {the*  
11 *board of tax appeals} pursuant to the provisions of either: (a) Section 13*  
12 *of article 11 of the constitution of the state of Kansas; or (b) K.S.A. 12-*  
13 *1740 et seq. and 79-201a Second for Twenty-Fourth, and amendments*  
14 *thereto, for any property constituted or purchased with the proceeds of*  
15 *revenue bonds shall be deemed to exempt any such property from the ad*  
16 *valorem property tax levied by or on behalf of a school district pursuant*  
17 *to the provisions of K.S.A. 2016 Supp. 72-6470, and amendments*  
18 *thereto. The provisions of this section shall not apply to exemptions*  
19 *granted by the board of tax appeals when the associated resolution of*  
20 *intent to issue revenue bonds and grant property tax abatement was*  
21 *approved by any governing body of any city or the board of*  
22 *commissioners of any county or the public hearing required by K.S.A.*  
23 *79-251, and amendments thereto, was conducted prior to May 1, 2017.*

, letter of intent or inducement resolution

24 ~~Section 1. Sec. 2.~~ K.S.A. 2016 Supp. 72-6470 is hereby amended to

See attachment

25 read as follows: 72-6470. (a) The board of education of each school  
26 district shall levy an ad valorem tax upon the taxable tangible property of  
27 the district at a rate of 20 mills in school year 2015-2016 2017-2018 and  
28 school year 2016-2017 2018-2019 for the purpose of:

29 (1) Paying a portion of the costs of operating and maintaining public  
30 schools in partial fulfillment of the constitutional obligation of the  
31 legislature to finance the educational interests of the state; and

and by renumbering sections accordingly

32 (2) with respect to any redevelopment district established prior to July  
33 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a  
34 portion of the principal and interest on bonds issued by cities under

1 authority of K.S.A. 12-1774, and amendments thereto, for the financing of  
2 redevelopment projects upon property located within the district.

3 (b) Except for that portion of the proceeds used for the purpose  
4 specified in subsection (a)(2), the proceeds from the tax levied by a school  
5 district under authority of this section shall be remitted to the state  
6 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
7 amendments thereto. Upon receipt of each such remittance, the state  
8 treasurer shall deposit the entire amount in the state treasury and shall  
9 credit the same to the state school finance fund.

10 (c) All moneys remitted to the state treasurer pursuant to subsection  
11 (b) shall be used for paying a portion of the costs of operating and  
12 maintaining public schools in partial fulfillment of the constitutional  
13 obligation of the legislature to finance the educational interests of the state.

14 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a  
15 or 79-1964b, and amendments thereto.

16 (e) The provisions of this section shall be effective from and after  
17 July 1, 2015, through June 30, ~~2017~~ 2019.

18 ~~Sec. 2-3.~~ K.S.A. 2016 Supp. 79-201x is hereby amended to read as  
19 follows: 79-201x. For taxable years ~~2015~~ 2017 and ~~2016~~ 2018, the  
20 following described property, to the extent herein specified, shall be and is  
21 hereby exempt from the property tax levied pursuant to the provisions of  
22 K.S.A. 2016 Supp. 72-6470, and amendments thereto: Property used for  
23 residential purposes to the extent of \$20,000 of its appraised valuation.

24 ~~Sec. 3-4.~~ K.S.A. 2016 Supp. 72-6470 and 79-201x are hereby  
25 repealed.

26 ~~Sec. 4-5.~~ This act shall take effect and be in force from and after its  
27 publication in the ~~statute book~~ *Kansas register*.

12-1742

K.S.A. 2016 Supp. 12-1742 is hereby amended to read as follows: 12-1742. Such agreements shall provide for a rental sufficient to repay the principal of and the interest on the revenue bonds. Such agreements also may provide that the lessee shall reimburse the city or county for its actual costs of administering and supervising the issue. The city or county may charge an origination fee. Such fee shall not be deemed a payment in lieu of taxes hereunder. Such fee shall be used exclusively for local economic development activities but shall not be used to pay any administrative costs of the city or county. Except for the origination fee, all other fees paid in excess of such actual costs and any other obligation assumed under the contract shall be deemed payments in lieu of taxes and distributed as provided herein. If the agreement provides for a payment in lieu of taxes to the city or county, such payment, immediately upon receipt of same, shall be transmitted by the city or county to the county treasurer of the county in which the city is located. Payments in lieu of taxes received pursuant to agreements entered into after the effective date of this act shall include all fees or charges paid for services normally and customarily paid from the proceeds of general property tax levies, except for extraordinary services provided for the facility or an extraordinary level of services required by a facility. Payments in lieu of taxes may be required only upon property for which an exemption from ad valorem property taxes has been granted by the state board of tax appeals. The county treasurer shall apportion such payment among the taxing subdivisions of this state in the territory in which the facility is located. Any payment in lieu of taxes shall be divided by the county treasurer among such taxing subdivisions in the same proportion that the amount of the total mill levy of each individual taxing subdivision bears to the aggregate of such levies of all the taxing subdivisions among which the division is to be made. For purposes of this section, the total mill levy shall not include the mill levy imposed pursuant to K.S.A. 2016 Supp. 72-6470, and amendments thereto. The county treasurer shall pay such amounts to the taxing subdivisions at the same time or times as their regular operating tax rate mill levy is paid to them. Based upon the assessed valuation which such facility would have if it were upon the tax rolls of the county, the county clerk shall compute the total of the property taxes which would be levied upon such facility by all taxing subdivisions within which the facility is located if such property were taxable.