

SESSION OF 2013

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 23**

As Recommended by Senate Committee on  
Education

**Brief\***

SB 23 would reauthorize the school district property tax mill levy for the 2013-2014 and 2014-2015 school years. The bill also would extend the deadline for repeal of the \$20,000 residential property tax exemption to the end of tax year 2014.

**Background**

In 1992, the Kansas Legislature enacted new school finance legislation, entitled the School District Quality and Performance Act, as a result of litigation. The 1992 legislation replaced a school funding formula, which allowed wide differences in tax rates and expenditures, with a new, more equalized method of financing public education. Part of this new financing method included a statewide property tax levy. Originally set in 1992 at 32 mills, the amount has fluctuated over the years. In 1998 it was set at 20 mills and has remained at that level since. The \$20,000 residential property appraised valuation exemption was added in 1997 and has remained in effect since that time.

Article 11, Section 4 of the *Kansas Constitution* limits to two years any tax used to "defray the current expenses of the state." A Shawnee County District Court judge interpreted the property tax levying provision in previous school finance legislation to constitute a "state" property tax levy. As such, the tax could not be imposed for a period in excess of two

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

years. This finding was not contested before the Kansas Supreme Court in the school finance litigation that on December 2, 1994, upheld the constitutionality of the 1992 and 1993 school finance legislation. Hence, the two-year limit has remained in effect.

Proponents appearing at the Senate Education Committee hearing included representatives of the Kansas Association of School Boards and the Kansas National Education Association. No opposing or neutral testimony was received.

The Division of the Budget fiscal note reports that, by continuing current tax policy for the K-12 school finance formula, approximately \$574 million in local property taxes would remain available to schools.