

CORRECTED

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

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*Session of 2020*

**SENATE BILL No. 294**

By Senators Tyson, Alley, Braun, Estes, Goddard, Hilderbrand, Kerschen,  
Longbine, Lynn, Masterson, Olson, Petersen, Thompson, Wagle and Wilborn

1-22

1 AN ACT concerning property taxation; relating to tax rates; truth in  
2 taxation; establishing notice and public hearing requirements prior to  
3 approval to exceed ~~certified tax revenue neutral~~ rate; *discontinuing*  
4 *the city and county tax lid; amending K.S.A. 79-2925c and repealing*  
5 *the existing section.*  
6

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

8 *New Section 1. (a) On or before July 1 each year, the governing body*  
9 *of each taxing subdivision or taxing district shall calculate its certified tax*  
10 *rate. The certified tax rate is the tax rate for the current year that would*  
11 *generate the same property tax revenue as levied the previous year using*  
12 *the current year's total assessed valuation. The purpose of the certified tax*  
13 *rate is to promote truth in taxation. To calculate the certified tax rate, each*  
14 *governing body shall divide the property tax revenue for such taxing*  
15 *subdivision or taxing district levied for the previous year by the total of all*  
16 *taxable assessed valuations in such taxing subdivision or taxing district*  
17 *provided by the county clerk pursuant to K.S.A. 79-5a27, and amendments*  
18 *thereto, for the current year, and then multiply the quotient by 1,000 to*  
19 *express the rate in mills. The certified tax rate shall be expressed to the*  
20 *third decimal place.*

21 ~~(b) On or before July 1 each year, the governing body of each taxing~~  
22 ~~subdivision or taxing district shall submit its calculated certified tax rate~~  
23 ~~and supporting documentation to the director of accounts and reports on~~  
24 ~~forms approved by the director of accounts and reports. The director of~~  
25 ~~accounts and reports shall review the calculated certified tax rate and~~  
26 ~~supporting documentation for compliance and accuracy and notify the~~  
27 ~~governing body of the results of such review before August 1 of each year.~~  
28 ~~The director of accounts and reports shall make copies of submissions and~~  
29 ~~notifications pursuant to subsections (b) and (c) available to the public on~~  
30 ~~the website of the Kansas department of administration no later than~~  
31 ~~September 1 each year.~~

Proposed Amendment  
Committee on Assessment and Taxation  
Prepared by Office of Revisor of Statutes  
Date

1 ~~(c) On or before August 1 each year, the governing body of each~~  
 2 ~~taxing subdivision or taxing district shall submit its certified tax rate to the~~  
 3 ~~director of accounts and reports and report its certified tax rate and the~~  
 4 ~~calculations used to compute the certified tax rate on its proposed budget~~  
 5 ~~forms prepared pursuant to K.S.A. 79-2927, and amendments thereto. On~~  
 6 ~~or before June 15 each year, the county clerk shall calculate the revenue~~  
 7 ~~neutral rate for each taxing subdivision and include such revenue~~  
 8 ~~neutral rate on the notice of the estimated assessed valuation provided to~~  
 9 ~~each taxing subdivision for budget purposes. The director of accounts~~  
 10 ~~and reports shall modify the prescribed budget information form to show~~  
 11 ~~the revenue neutral rate.~~

12 ~~(d)(b) No tax rate in excess of the certified tax revenue neutral rate~~  
 13 ~~shall be levied by the governing body of any taxing subdivision or taxing~~  
 14 ~~district unless a resolution or ordinance has been approved by the~~  
 15 ~~governing body according to the following procedure:~~

16 (1) The governing body shall publish notice of its proposed intent to  
 17 exceed the ~~certified tax revenue neutral rate in the official county~~  
 18 ~~newspaper of the county where the taxing subdivision or taxing district is~~  
 19 ~~located and on the website of the governing body, if the governing body~~  
 20 ~~maintains a website, at least 10 days in advance of the public hearing. The~~  
 21 ~~notice shall include, but not be limited to, its proposed tax rate, its~~  
 22 ~~revenue neutral rate and the date, time and location of the public~~  
 23 ~~hearing.~~

24 (2) On or before ~~August 1~~ July 15, the governing body shall notify  
 25 the county clerk of its proposed intent to exceed the ~~certified tax revenue~~  
 26 ~~neutral rate and provide the date, time and location of the public hearing~~  
 27 ~~and its proposed tax rate. The county clerk shall notify each taxpayer with~~  
 28 ~~property in the taxing subdivision or taxing district, by mail directed to the~~  
 29 ~~taxpayer's last known address, of the proposed intent to exceed the~~  
 30 ~~certified tax rate at least 10 days in advance of the public hearing.~~

revenue neutral

31 Alternatively, the county clerk may transmit the notice to the taxpayer by  
 32 electronic means at least 10 days in advance of the public hearing. If such  
 33 taxpayer and county clerk have consented in writing to service by  
 34 electronic means. Costs associated with the notice shall be borne by the  
 35 taxing subdivision ~~or taxing district~~ (with payment due to the county clerk  
 36 by December 31). The county clerk may consolidate the required  
 37 information for all taxing subdivisions relevant to the taxpayer's  
 38 property on one notice. The notice shall include, but not be limited to:

- 39 (A) The ~~certified tax rate and calculations used to compute the~~  
 40 ~~certified tax revenue neutral rate;~~
- 41 (B) the proposed property tax revenue needed to fund the proposed  
 42 budget;
- 43 (C) the proposed tax rate based upon the proposed budget and the

1 current year's total assessed valuation:

2 (D) the tax rate and property tax of the taxing subdivision ~~or taxing~~  
3 ~~district~~ on the taxpayer's property from the previous year's tax statement;

4 (E) the proposed percent change in the tax rate between the previous  
5 year's tax rate and the proposed tax rate for the current year;

6 (F) the appraised value and assessed value of the taxpayer's property  
7 for the current year;

8 (G) the estimates of the tax for the current tax year on the taxpayer's  
9 property based on the ~~certified tax~~ *revenue neutral* rate and the proposed  
10 tax rate; and

11 (H) the date, time and location of the public hearing.

12 (3) The public hearing to consider exceeding the ~~certified tax~~  
13 *revenue neutral* rate shall be held on or before September 15. The September 10  
14 governing body shall provide interested taxpayers desiring to be heard an  
15 opportunity to present oral testimony within reasonable time limits and  
16 without unreasonable restriction on the number of individuals allowed to

17 make public comment. ~~The public hearing shall not be scheduled at the~~  
18 ~~same time as a public hearing of another taxing subdivision or taxing~~  
19 ~~district in the county scheduled for purposes of this section. The public~~  
20 ~~hearing may be conducted in conjunction with the proposed budget~~  
21 ~~hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the~~  
22 ~~governing body otherwise complies with all requirements of this section.~~

23 (4) A majority vote of the governing body, by the adoption of a  
24 resolution or ordinance to approve exceeding the ~~certified tax~~ *revenue*  
25 *neutral* rate, shall be required prior to adoption of a proposed budget that  
26 will result in a tax rate in excess of the ~~certified tax~~ *revenue neutral* rate.  
27 Such vote of the governing body shall be conducted at the public hearing  
28 after the governing body has heard from interested taxpayers.

29 ~~(b)(c)~~ Any governing body subject to the provisions of this section  
30 that does not comply with subsection ~~(b)~~ (b) shall refund to taxpayers any  
31 property taxes over-collected based on the amount of the levy that was in  
32 excess of the ~~certified tax~~ *revenue neutral* rate. The provisions of this  
33 subsection shall not be construed as prohibiting any other remedies  
34 available under the law.

35 ~~(b)(d)~~ The provisions of subsection (d) shall not apply if the increased  
36 ~~property tax revenue for the current year is the result of property tax levied~~  
37 ~~pursuant to K.S.A. 72-542, and amendments thereto. This section shall~~  
38 ~~not apply to school districts organized and operating under the laws of~~  
39 ~~this state.~~

40 ~~(b)(e)~~ Notwithstanding the provisions of K.S.A. 79-1801, and  
41 amendments thereto, if the governing body of a taxing subdivision ~~or~~  
42 ~~taxing district~~ must conduct a public hearing to approve exceeding the  
43 ~~certified tax~~ *revenue neutral* rate under this section, the governing body of