

HOUSE BILL No. 2410

By Committee on Appropriations

3-22

Proposed Amendments for HB 2410
House Committee on K-12 Education Budget
Office of Revisor of Statutes
March 27, 2017
Excluding Capital Outlay Levy from TIF and
Neighborhood Revitalization

K.S.A. 12-17, 115 and 72-8803 and

1 AN ACT concerning education; relating to the instruction and financing
2 thereof; making and concerning appropriations for the fiscal years
3 ending June 30, 2018, and June 30, 2019, for the department of
4 education; creating the Kansas school equity and enhancement act
5 amending K.S.A. 2016 Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a,
6 12-1776a, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-3712, 72-
7 3715, 72-5333b, 72-64b01, 72-64e03, 72-64e05, 72-6622, 72-6624, 72-
8 6625, 72-6757, 72-67115, 72-7535, 72-8187, 72-8190, 72-8230, 72-
9 8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-8309, 72-
10 8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609, 72-
11 99a02, 72-99a02, as amended by section 87 of this act, 74-4939a, 74-
12 8925, 74-99b43, 75-2319, 79-201x, 79-213, 79-2001 and 79-2925b and
13 repealing the existing sections; also repealing K.S.A. 2016 Supp. 46-
14 1133 and 72-6482.
15

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

17 Section 1.

DEPARTMENT OF EDUCATION

18
19 (a) There is appropriated for the above agency from the state general
20 fund for the fiscal year ending June 30, 2018, the following:

21 Operating expenditures (including official
22 hospitality) (652-00-1000-0053).....\$12,515,606
23 *Provided*, That any unencumbered balance in the operating expenditures
24 (including official hospitality) account in excess of \$100 as of June 30,
25 2017, is hereby reappropriated for fiscal year 2018.

26 Special education services
27 aid (652-00-1000-0700).....\$437,680,455

28 *Provided*, That any unencumbered balance in the special education
29 services aid account in excess of \$100 as of June 30, 2017, is hereby
30 reappropriated for fiscal year 2018: *Provided further*, That expenditures
31 shall not be made from the special education services aid account for the
32 provision of instruction for any homebound or hospitalized child unless
33 the categorization of such child as exceptional is conjoined with the
34 categorization of the child within one or more of the other categories of
35 exceptionality; *And provided further*, That expenditures shall be made from
36 this account for grants to school districts in amounts determined pursuant

1 (l) "Major tourism area" means an area for which the secretary has
2 made a finding the capital improvements costing not less than
3 \$100,000,000 will be built in the state to construct an auto race track
4 facility.

5 (m) "Real property taxes" means all taxes levied on an ad valorem
6 basis upon land and improvements thereon, except that when relating to a
7 bioscience development district, as defined in this section, "real property
8 taxes" does not include property taxes levied for schools; by school
9 districts pursuant to K.S.A. 2016-Supp. 72-6470 section 13; and
10 amendments thereto;

11 (n) "Redevelopment project area" means an area designated by a city
12 within a redevelopment district or, if the redevelopment district is
13 established for an intermodal transportation area, an area designated by a
14 city within or outside of the redevelopment district.

15 (o) "Redevelopment project costs" means: (1) Those costs necessary
16 to implement a redevelopment project plan or a bioscience development
17 project plan, including costs incurred for:

18 (A) Acquisition of property within the redevelopment project area;
19 (B) Payment of relocation assistance pursuant to a relocation
20 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

21 (C) Site preparation including utility relocations;

22 (D) Sanitary and storm sewers and lift stations;

23 (E) Drainage conduits, channels, levees and river walk canal facilities;

24 (F) Street grading, paving, graveling, macadamizing, curbing,
25 guttering and surfacing;

26 (G) Street light fixtures, connection and facilities;

27 (H) Underground gas, water, heating and electrical services and
28 connections located within the public right-of-way;

29 (I) Sidewalks and pedestrian underpasses or overpasses;

30 (J) Drives and driveway approaches located within the public right-of-
31 way;

32 (K) Water mains and extensions;

33 (L) Plazas and arcades;

34 (M) Major multi-sport athletic complex;

35 (N) Museum facility;

36 (O) Parking facilities including multilevel parking facilities;

37 (P) Landscaping and plantings, fountains, shelters, benches,
38 sculptures, lighting, decorations and similar amenities;

39 (Q) Related expenses to redevelop and finance the redevelopment
40 project;

41 (R) For purposes of an incubator project, such costs shall also include
42 wet lab equipment including hoods, lab tables, heavy water equipment and
43 all such other equipment found to be necessary or appropriate for a

Strike text

(1)

when:
(A) Relating to a bioscience development district; and
(B) relating to a redevelopment district established after June 30, 1997; and
(2) property taxes levied by school districts pursuant to K.S.A. 72-8801, and amendments thereto, when relating to a bioscience development district or a redevelopment district established after June 30, 2017

1 from the state general fund to the city tax increment financing revenue
 2 fund the aggregate of all amounts so certified. Prior to April 15 of each
 3 year, the state treasurer shall pay from the city tax increment financing
 4 revenue fund to each city certifying an amount to the director of accounts
 5 and reports under this section for the ensuing calendar year the amount so
 6 certified.

7 (b) There is hereby created the tax increment financing revenue
 8 replacement fund which shall be administered by the state treasurer. All
 9 expenditures from the tax increment financing revenue replacement fund
 10 shall be made in accordance with appropriations acts upon warrants of the
 11 director of accounts and reports issued pursuant to vouchers approved by
 12 the state treasurer or a person or persons designated by the state treasurer.

13 Sec. 52. K.S.A. 2016 Supp. 12-1776a is hereby amended to read as
 14 follows: 12-1776a. (a) As used in this section:

15 (1) "School district" means any school district in which is located a
 16 redevelopment district for which bonds have been issued pursuant to
 17 K.S.A. 12-1770 et seq., and amendments thereto.

18 (2) "Base year assessed valuation," "redevelopment district" and
 19 "redevelopment project" shall have the meanings ascribed thereto by
 20 K.S.A. 12-1770a, and amendments thereto.

21 (b) No later than November 1 of each year, the county clerk of each
 22 county shall certify to the state board of education the assessed valuation
 23 of any school district located within a redevelopment district in such
 24 county. For the purposes of this section and for determining the amount of
 25 state aid for school districts under *section 17 and* K.S.A. 75-2319, and
 26 amendments thereto, the base year assessed valuation of property within
 27 the boundaries of a redevelopment district shall be used when determining
 28 the assessed valuation of a school district until the bonds issued pursuant
 29 to K.S.A. 12-1770 et seq., and amendments thereto, to finance
 30 redevelopment projects in the redevelopment district have been retired.

31 Sec. 53. K.S.A. 2016 Supp. 72-978 is hereby amended to read as
 32 follows: 72-978. (a) Each year, the state board of education shall determine
 33 the amount of state aid for the provision of special education and related
 34 services each school district shall receive for the ensuing school year. The
 35 amount of such state aid shall be computed by the state board as provided
 36 in this section. The state board shall:

37 (1) Determine the total amount of general fund and local option
 38 budgets of all school districts;

39 (2) Subtract from the amount determined in subsection (a)(1) the total
 40 amount attributable to assignment of transportation weighting, program
 41 weighting, special education weighting and at-risk—~~with student~~
 42 ~~weighting, as those weightings were calculated under the school district~~
 43 ~~finance and quality performance act, prior to its repeal, to the enrollment~~

Sec. 53. Inset attached K.S.A. 12-17,115.

Renumber sections accordingly

1 section shall be deposited in the general fund of the school district and
 2 shall be considered reimbursements to the school district for the purpose of
 3 ~~the classroom learning assisting student success act, K.S.A. 2016 Supp. 72-~~
 4 ~~6463 Kansas school equity and enhancement act, section 3 et seq.~~, and
 5 amendments thereto. Such revenues may be expended whether the same
 6 have been budgeted or not.
 7 ~~(d) (e)~~ The provisions of K.S.A. 8-1556(c), and amendments thereto,
 8 apply to the use of school buses under authority of this section.

9 Sec. 81. K.S.A. 2016 Supp. 72-8415b is hereby amended to read as
 10 follows: 72-8415b. (a) Any school district that elects to become a self-
 11 insurer under the provisions of K.S.A. 72-8414, and amendments thereto,
 12 may transfer moneys from its general fund to the special reserve fund of
 13 the district as provided by ~~K.S.A. 2016 Supp. 72-6478 section 40~~, and
 14 amendments thereto.

15 (b) Any community college that elects to become a self-insurer under
 16 the provisions of K.S.A. 72-8414, and amendments thereto, may transfer
 17 such amounts from its general fund to the health care services reserve fund
 18 or the disability income benefits reserve fund, or the group life benefit
 19 reserve fund, or all three, as may be deemed necessary to meet the cost of
 20 health care services or disability income benefits, or group life insurance
 21 claims, whichever is applicable.

22 Sec. 82. K.S.A. 2016 Supp. 72-8801 is hereby amended to read as
 23 follows: 72-8801. (a) The board of education of any school district may
 24 make an annual tax levy at a mill rate not to exceed the statutorily
 25 prescribed mill rate upon the taxable tangible property in the school
 26 district for the purposes specified in this act and for the purpose of paying
 27 a portion of the principal and interest on bonds issued by cities under the
 28 authority of K.S.A. 12-1774, and amendments thereto, for the financing of
 29 redevelopment projects upon property located within the school district.
 30 No levy shall be made under this act until a resolution is adopted by the
 31 board of education in the following form:
 32 Unified School District No. _____,
 33 _____ County, Kansas.

34 RESOLUTION _____

35 Be It Resolved that:

36 The above-named school board shall be authorized to make an annual
 37 tax levy ~~for a period not to exceed _____ years~~ in an amount not to
 38 exceed _____ mills upon the taxable tangible property in the school
 39 district for the purpose of acquisition, construction, reconstruction, repair,
 40 remodeling, additions to, furnishing, maintaining and equipping of school
 41 district property and equipment necessary for school district purposes,
 42 including: (1) Acquisition of computer software; (2) acquisition of
 43 performance uniforms; (3) housing and boarding pupils enrolled in an area

, with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto,

1 vocational school operated under the board; (4) architectural expenses; (5)
 2 acquisition of building sites; (6) undertaking and maintenance of asbestos
 3 control projects; (7) acquisition of school buses; and (8) acquisition of
 4 other fixed assets, and for the purpose of paying a portion of the principal
 5 and interest on bonds issued by cities under the authority of K.S.A. 12-
 6 1774, and amendments thereto, for the financing of redevelopment
 7 projects upon property located within the school district. The tax levy
 8 authorized by this resolution may be made, unless a petition in opposition
 9 to the same, signed by not less than 10% of the qualified electors of the
 10 school district, is filed with the county election officer of the home county
 11 of the school district within 40 calendar days after the last publication of
 12 this resolution. In the event a petition is filed, the county election officer
 13 shall submit the question of whether the tax levy shall be authorized to the
 14 electors in the school district at an election called for that purpose or at the
 15 next general election, as is specified by the board of education of the
 16 above school district.

, with respect to any redevelopment district
 established prior to July 1, 2017, pursuant to
 K.S.A. 12-1771, and amendments thereto,

CERTIFICATE

17 This is to certify that the above resolution was duly adopted by the
 18 board of education of Unified School District No. _____,
 19 County, Kansas, on the ____ day of _____,
 20
 21

 Clerk of the board of education.

22 All of the blanks in the above resolution shall be appropriately filled.
 23 The blank preceding the word "~~years~~" shall be filled with a specific
 24 ~~number~~ and the blank preceding the word "mills" shall be filled with a
 25 specific number and the word shall be inserted in either of the blanks. The
 26 resolution shall be published once a week for two consecutive weeks in a
 27 newspaper having general circulation in the school district. If no petition
 28 as specified above is filed in accordance with the provisions of the
 29 resolution, the board of education may make the tax levy specified in the
 30 resolution. If a petition is filed as provided in the resolution, the board of
 31 education may notify the county election officer of the date of an election
 32 to be held to submit the question of whether the tax levy shall be
 33 authorized. If the board of education fails to notify the county election
 34 officer within 60 calendar days after a petition is filed, the resolution shall
 35 be deemed abandoned and no like resolution shall be adopted by the board
 36 of education within the nine months following the first publication of the
 37 resolution.
 38

39 (b) As used in this act:

40 (1) "Unconditionally authorized to make a capital outlay tax levy"
 41 means that the school district has adopted a resolution under this section,
 42 has published the same, and either that the resolution was not protested or
 43 that it was protested and an election has been held by which the tax levy

1 specified in the resolution was approved;

2 (2) "statutorily prescribed mill rate" means: (A) Eight mills; (B) the
3 mill levy rate in excess of eight mills if the resolution fixing such rate was
4 approved at an election prior to the effective date of this act; or (C) the
5 mill levy rate in excess of eight mills if no petition or no sufficient petition
6 was filed in protest to a resolution fixing such rate in excess of eight mills
7 and the protest period for filing such petition has expired;

8 (3) "asbestos control project" means any activity which is necessary
9 or incidental to the control of asbestos-containing material in buildings of
10 school districts and includes, but not by way of limitation, any activity
11 undertaken for the removal or encapsulation of asbestos-containing
12 material, for any remodeling, renovation, replacement, rehabilitation or
13 other restoration necessitated by such removal or encapsulation, for
14 conducting inspections, reinspections and periodic surveillance of
15 buildings, performing response actions, and developing, implementing and
16 updating operations and maintenance programs and management plans;

17 (4) "asbestos" means the asbestiform varieties of chrysotile
18 (serpentine), crocidolite (riebeckite), amosite (cummingtonite),
19 anthophyllite, tremolite, and actinolite; and

20 (5) "asbestos-containing material" means any material or product
21 which contains more than 1% asbestos.

22 Sec. 83. K.S.A. 2016 Supp. 72-8804 is hereby amended to read as
23 follows: 72-8804. (a) Any moneys in the capital outlay fund of any school
24 district and any moneys received from issuance of bonds under K.S.A. 72-
25 8805 or 72-8810, and amendments thereto, may be used for the purpose of
26 the acquisition, construction, reconstruction, repair, remodeling, additions
27 to, furnishing, maintaining and equipping of school district property and
28 equipment necessary for school district purposes, including: (1)
29 Acquisition of computer software; (2) acquisition of performance
30 uniforms; (3) housing and boarding pupils enrolled in an area vocational
31 school operated under the board of education; (4) architectural expenses;
32 (5) acquisition of building sites; (6) undertaking and maintenance of
33 asbestos control projects; (7) acquisition of school buses; and (8)
34 acquisition of other fixed assets; and, for school years 2015-2016 and
35 2016-2017, subject to the provisions of K.S.A. 2016 Supp. 72-6478, and
36 amendments thereto, may be transferred to the general fund of the school
37 district as approved by the board of education.

38 (b) The board of education of any school district is hereby authorized
39 to invest any portion of the capital outlay fund of the school district which
40 is not currently needed in investments authorized by K.S.A. 12-1675, and
41 amendments thereto, in the manner prescribed therein, or may invest the
42 same in direct obligations of the United States government maturing or
43 redeemable at par and accrued interest within three years from date of

Sec. 83. Insert Attached K.S.A. 72-8803.

Renumber Sections Accordingly

1 (3) property located within added jurisdictional territory; or
 2 (4) property which has changed in use shall not be considered when
 3 determining whether revenue produced from property has increased from
 4 the next preceding year.
 5 (c) In the event the governing body votes to approve any
 6 appropriation or budget, as the case requires, which may be funded by
 7 revenue produced from property taxes, and which provides for funding
 8 with such revenue in an amount exceeding that of the next preceding year
 9 as provided in subsection (a), notice of such vote shall be published in the
 10 official county newspaper of the county where such municipality is
 11 located.

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

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

18 (f) For purposes of this section:

19 (1) "Municipality" means any political subdivision of the state which
 20 levies an ad valorem tax on property and includes, but is not limited to,
 21 any township, municipal university, school district, community college,
 22 drainage district or other taxing district;

23 (2) "municipality" shall not include:

24 (A) Any such political subdivision or taxing district which receives
 25 \$1,000 or less in revenue from property taxes in the current year; or
 26 (B) any city or county.

27 Sec. 97. In sections 1 and 2, if any fund or account name described by
 28 words and the numerical accounting code that follows such fund or
 29 account name do not match, it shall be conclusively presumed that the
 30 legislature intended that the fund or account name described by words is
 31 the correct fund or account name, and such fund or account name
 32 described by words shall control over a contradictory or incorrect
 33 numerical accounting code.

34 Sec. 98. K.S.A. 2016 Supp. 10-1116a, 12-1677, 12-1770a, 12-1775a,
 35 12-1776a, 46-1133, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-
 36 3712, 72-3715, 72-5333b, 72-6482, 72-64b01, 72-64c03, 72-64c05, 72-
 37 6622, 72-6624, 72-6625, 72-6757, 72-67,115, 72-7535, 72-8187, 72-8190,
 38 72-8230, 72-8233, 72-8236, 72-8249, 72-8250, 72-8251, 72-8302, 72-
 39 8309, 72-8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-9509, 72-9609,
 40 72-99a02, 74-4939a, 74-8925, 74-99b43, 75-2319, 79-201x, 79-213, 79-
 41 2001 and 79-2925b are hereby repealed.

42 Sec. 99. On and after July 1, 2018, K.S.A. 2016 Supp. 72-99a02, as
 43 amended by section 87 of this act, is hereby repealed.

K.S.A. 12-17, 115 and 72-8803 and

12-17,115. Same; definitions. As used in this act:

- (a) "Dilapidated structure" means a residence or other building which is in deteriorating condition by reason of obsolescence, inadequate provision of ventilation, light, air or structural integrity or is otherwise in a condition detrimental to the health, safety or welfare of its inhabitants or a residence or other building which is in deteriorating condition and because of age, architecture, history or significance is worthy of preservation.
- (b) "Municipality" means any municipality as defined by K.S.A. 10-1101, and amendments thereto.
- (c) "Neighborhood revitalization area" means:
 - (1) An area in which there is a predominance of buildings or improvements which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare;
 - (2) an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use; or
 - (3) an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.
- (d) "Governing body" means the governing body of any municipality.
- (e) "Increment" means, except for any taxes levied by school districts pursuant to section 13 or K.S.A. 72-8801, and amendments thereto, that amount of ad valorem taxes collected from real property located within the neighborhood revitalization area or from dilapidated structures outside the revitalization area that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the neighborhood revitalization area was established or the structure was declared dilapidated pursuant to this act.

72-8803. Capital outlay fund; establishment; sources. There is hereby established in every school district of the state a fund which shall be called the capital outlay fund. The capital outlay fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. The proceeds of any tax levied under article 88 of chapter 72 of Kansas Statutes Annotated, and amendments thereto, shall be deposited in the capital outlay fund of the school district making such levy, except for an amount to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district, shall be deposited in the capital outlay fund of the school district making such levy, with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto.

