

**SENATE BILL No. 251**

By Committee on Ways and Means

5-18

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. 12-17,115 and 72-8803 and K.S.A. 2016 Supp. 10-  
 6 1116a, 12-1677, 12-1770a, 12-1775a, 12-1776a, 72-978, 72-1046b, 72-  
 7 1398, 72-1414, 72-1923, 72-3712, 72-3715, 72-5333b, 72-64b01, 72-  
 8 64c03, 72-64c05, 72-6622, 72-6624, 72-6625, 72-6757, 72-67,115, 72-  
 9 7535, 72-8187, 72-8190, 72-8230, 72-8233, 72-8236, 72-8249, 72-  
 10 8250, 72-8251, 72-8302, 72-8309, 72-8316, 72-8415b, 72-8801, 72-  
 11 8804, 72-8908, 72-9509, 72-9609, 72-99a02, 72-99a02, as amended by  
 12 section 92 of this act, 72-99a04, 74-4939a, 74-8925, 74-99b43, 75-  
 13 2319, 79-201x, 79-213, 79-2001 and 79-2925b and repealing the  
 14 existing sections; also repealing K.S.A. 2016 Supp. 46-1133, 72-6482  
 15 and 75-2319, as amended by section 46 of Senate Substitute for  
 16 Substitute for House Bill No. 2052.  
 17

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

19 Section 1.

DEPARTMENT OF EDUCATION

20  
 21 (a) There is appropriated for the above agency from the state general  
 22 fund for the fiscal year ending June 30, 2018, the following:  
 23 Operating expenditures (including official  
 24 hospitality) (652-00-1000-0053).....\$12,515,606  
 25 *Provided*, That any unencumbered balance in the operating expenditures  
 26 (including official hospitality) account in excess of \$100 as of June 30,  
 27 2017, is hereby reapportioned for fiscal year 2018.

28 Special education services  
 29 aid (652-00-1000-0700).....\$435,980,455  
 30 *Provided*, That any unencumbered balance in the special education  
 31 services aid account in excess of \$100 as of June 30, 2017, is hereby  
 32 reapportioned for fiscal year 2018: *Provided further*, That expenditures  
 33 shall not be made from the special education services aid account for the  
 34 provision of instruction for any homebound or hospitalized child unless  
 35 the categorization of such child as exceptional is conjoined with the  
 36 categorization of the child within one or more of the other categories of

1 the county treasurer to the bioscience development bond fund to pay the  
2 bioscience development project costs including the payment of principal  
3 and interest on any special obligation bonds to finance, in whole or in part,  
4 such bioscience development projects.

5 (d) The authority may pledge the bioscience development bond fund  
6 or other available revenue to the repayment of such special obligation  
7 bonds prior to, simultaneously with, or subsequent to the issuance of such  
8 special obligation bonds.

9 (e) Any bonds issued under the provisions of this act and the interest  
10 paid thereon, unless specifically declared to be taxable in the authorizing  
11 resolution of the Kansas development finance authority, shall be exempt  
12 from all state, county and municipal taxes, and the exemption shall include  
13 income, estate and property taxes.

14 Sec. 99. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as  
15 follows: 75-2319. (a) There is hereby established in the state treasury the  
16 school district capital improvements fund. The fund shall consist of all  
17 amounts transferred thereto under the provisions of subsection (c).

18 (b) In each school year, each school district which is obligated to  
19 make payments from its capital improvements fund shall be entitled to  
20 receive payment from the school district capital improvements fund in an  
21 amount determined by the state board of education as provided in this  
22 subsection.

23 (1) For general obligation bonds approved for issuance at an election  
24 held prior to July 1, 2015, the state board of education shall:

25 (A) Determine the amount of the assessed valuation per pupil (AVPP)  
26 of each school district in the state for the preceding school year and round  
27 such amount to the nearest \$1,000. The rounded amount is the AVPP of a  
28 school district for the purposes of this subsection (b)(1);

29 (B) determine the median AVPP of all school districts;

30 (C) prepare a schedule of dollar amounts using the amount of the  
31 median AVPP of all school districts as the point of beginning. The  
32 schedule of dollar amounts shall range upward in equal \$1,000 intervals  
33 from the point of beginning to and including an amount that is equal to the  
34 amount of the AVPP of the school district with the highest AVPP of all  
35 school districts and shall range downward in equal \$1,000 intervals from  
36 the point of beginning to and including an amount that is equal to the  
37 amount of the AVPP of the school district with the lowest AVPP of all  
38 school districts;

39 (D) determine a state aid percentage factor for each school district by  
40 assigning a state aid computation percentage to the amount of the median  
41 AVPP shown on the schedule, decreasing the state aid computation  
42 percentage assigned to the amount of the median AVPP by one percentage  
43 point for each \$1,000 interval above the amount of the median AVPP, and

1 increasing the state aid computation percentage assigned to the amount of  
2 the median AVPP by one percentage point for each \$1,000 interval below  
3 the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp.  
4 75-2319c, and amendments thereto, the state aid percentage factor of a  
5 school district is the percentage assigned to the schedule amount that is  
6 equal to the amount of the AVPP of the school district. The state aid  
7 percentage factor of a school district shall not exceed 100%. The state aid  
8 computation percentage is 25%;

9 (E) determine the amount of payments that a school district is  
10 obligated to make from its bond and interest fund attributable to general  
11 obligation bonds approved for issuance at an election held prior to July 1,  
12 2015; and

13 (F) multiply the amount determined under subsection (b)(1)(E) by the  
14 applicable state aid percentage factor.

15 (2) For general obligation bonds approved for issuance at an election  
16 held on or after July 1, 2015, the state board of education shall:

17 (A) Determine the amount of the AVPP of each school district in the  
18 state *for the preceding school year* and round such amount to the nearest  
19 \$1,000. The rounded amount is the AVPP of a school district for the  
20 purposes of this subsection (b)(2);

21 (B) prepare a schedule of dollar amounts using the amount of the  
22 AVPP of the school district with the lowest AVPP of all school districts as  
23 the point of beginning. The schedule of dollar amounts shall range upward  
24 in equal \$1,000 intervals from the point of beginning to and including an  
25 amount that is equal to the amount of the AVPP of the school district with  
26 the highest AVPP of all school districts;

27 (C) determine a state aid percentage factor for each school district by  
28 assigning a state aid computation percentage to the amount of the lowest  
29 AVPP shown on the schedule and decreasing the state aid computation  
30 percentage assigned to the amount of the lowest AVPP by one percentage  
31 point for each \$1,000 interval above the amount of the lowest AVPP.  
32 Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments  
33 thereto, the state aid percentage factor of a school district is the percentage  
34 assigned to the schedule amount that is equal to the amount of the AVPP of  
35 the school district. The state aid computation percentage is 75%;

36 (D) determine the amount of payments that a school district is  
37 obligated to make from its bond and interest fund attributable to general  
38 obligation bonds approved for issuance at an election held on or after July  
39 1, 2015; and

40 (E) multiply the amount determined under subsection (b)(2)(D) by  
41 the applicable state aid percentage factor.

42 (3) For general obligation bonds approved for issuance at an election  
43 held on or before June 30, 2016, the sum of the amount determined under

1 subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E)  
2 is the amount of payment the school district is entitled to receive from the  
3 school district capital improvements fund in the school year.

4 (4) For general obligation bonds approved for issuance at an election  
5 held on or after July 1, 2016, the amount determined under subsection (b)  
6 (2)(E) is the amount of payment the school district shall receive from the  
7 school district capital improvements fund in the school year, except the  
8 total amount of payments school districts receive from the school district  
9 capital improvements fund in the school year for such bonds shall not  
10 exceed the six-year average amount of capital improvement state aid as  
11 determined by the state board of education.

12 (A) The state board of education shall determine the six-year average  
13 amount of capital improvement state aid by calculating the average of the  
14 total amount of moneys expended per year from the school district capital  
15 improvements fund in the immediately preceding six fiscal years, not to  
16 include the current fiscal year.

17 (B) (i) Subject to clause (ii), the state board of education shall  
18 prioritize the allocations to school districts from the school district capital  
19 improvements fund in accordance with the priorities set forth as follows in  
20 order of highest priority to lowest priority:

21 (a) Safety of the current facility and disability access to such facility  
22 as demonstrated by a state fire marshal report, an inspection under the  
23 Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., or other similar  
24 evaluation;

25 (b) enrollment growth and imminent overcrowding as demonstrated  
26 by successive increases in enrollment of the school district in the  
27 immediately preceding three school years;

28 (c) impact on the delivery of educational services as demonstrated by  
29 restrictive inflexible design or limitations on installation of technology,  
30 and

31 (d) energy usage and other operational inefficiencies as demonstrated  
32 by a district-wide energy usage analysis, district-wide architectural  
33 analysis or other similar evaluation.

34 (ii) In allocating capital improvement state aid, the state board shall  
35 give higher priority to those school districts with a lower AV/PP compared  
36 to the other school districts that are to receive capital improvement state  
37 aid under this section.

38 (C) On and after July 1, 2016, the state board of education shall  
39 approve the amount of state aid payments a school district shall receive  
40 from the school district capital improvements fund pursuant to subsection  
41 (b)(5) prior to an election to approve the issuance of general obligation  
42 bonds.

43 (5) Except as provided in subsections (b)(6), the sum of the amounts

and (b)(7)

1 determined under subsection (b)(3) and the amount determined or  
2 allocated to the district by the state board of education pursuant to  
3 subsection (b)(4), is the amount of payment the school district is entitled to  
4 receive from the school district capital improvements fund in the school  
5 year.

6 *(6) A school district that had an enrollment of less than 260 students*  
7 *in the school year immediately preceding the school year in which an*  
8 *election is held to approve the issuance of general obligation bonds shall*  
9 *not be entitled to receive payments from the school district capital*  
10 *improvements fund unless such school district applied for and receive*  
11 *approval from the state board of education to issue such bonds prior to*  
12 *holding an election to approve such bond issuance. The provisions of this*  
13 *paragraph shall apply to general obligation bonds approved for issuance*  
14 *at an election held on or after July 1, 2017, that are issued for the purpose*  
15 *of financing the construction of new school facilities.*

16 (c) The state board of education shall certify to the director of  
17 accounts and reports the entitlements of school districts determined under  
18 the provisions of subsection (b), and an amount equal thereto shall be  
19 transferred by the director from the state general fund to the school district  
20 capital improvements fund for distribution to school districts. All transfers  
21 made in accordance with the provisions of this subsection shall be  
22 considered to be demand transfers from the state general fund, except that  
23 all such transfers during the fiscal years ending ~~June 30, 2013~~, June 30,  
24 ~~2014~~ 2017, June 30, ~~2015~~ 2018, and June 30, ~~2016~~ 2019, shall be  
25 considered to be revenue transfers from the state general fund.

26 (d) Payments from the school district capital improvements fund shall  
27 be distributed to school districts at times determined by the state board of  
28 education to be necessary to assist school districts in making scheduled  
29 payments pursuant to contractual bond obligations. The state board of  
30 education shall certify to the director of accounts and reports the amount  
31 due each school district entitled to payment from the fund, and the director  
32 of accounts and reports shall draw a warrant on the state treasurer payable  
33 to the treasurer of the school district. Upon receipt of the warrant, the  
34 treasurer of the school district shall credit the amount thereof to the bond  
35 and interest fund of the school district to be used for the purposes of such  
36 fund.

37 (e) The provisions of this section apply only to contractual  
38 obligations incurred by school districts pursuant to general obligation  
39 bonds issued upon approval of a majority of the qualified electors of the  
40 school district voting at an election upon the question of the issuance of  
41 such bonds.

42 (f) On or before the first day of the legislative session in 2017, and  
43 each year thereafter, the state board of education shall prepare and submit

(7) For general obligation bonds approved for issuance at an election held on or after July 1, 2017, in determining the amount under subsection (b)(2)(D), the state board shall exclude payments for any capital improvement project, or portion thereof, that proposes to construct, reconstruct or remodel a facility that would be used primarily for extracurricular activities, unless the construction reconstruction or remodeling of such facility is necessary due to concerns relating to the safety of the current facility or disability access to such facility as demonstrated by a state fire marshal report, an inspection under the Americans with disabilities act, 42 U.S.C. § 12101 et seq., or other similar evaluation.

1 a report to the legislature that includes information on school district  
2 elections held on or after July 1, 2016, to approve the issuance of general  
3 obligation bonds and the amount of payments school districts were  
4 approved to receive from the school district capital improvements fund  
5 pursuant to subsection (b)(4)(C).

6 Sec. 100. K.S.A. 2016 Supp. 79-201x is hereby amended to read as  
7 follows: 79-201x. For taxable years ~~2015 and 2016~~ 2017 and 2018, the  
8 following described property, to the extent herein specified, shall be and is  
9 hereby exempt from the property tax levied pursuant to the provisions of  
10 ~~K.S.A. 2016 Supp. 72-6470 section 14~~, and amendments thereto: Property  
11 used for residential purposes to the extent of \$20,000 of its appraised  
12 valuation.

13 Sec. 101. K.S.A. 2016 Supp. 79-213 is hereby amended to read as  
14 follows: 79-213. (a) Any property owner requesting an exemption from the  
15 payment of ad valorem property taxes assessed, or to be assessed, against  
16 their property shall be required to file an initial request for exemption, on  
17 forms approved by the state board of tax appeals and provided by the  
18 county appraiser.

19 (b) The initial exemption request shall identify the property for which  
20 the exemption is requested and state, in detail, the legal and factual basis  
21 for the exemption claimed.

22 (c) The request for exemption shall be filed with the county appraiser  
23 of the county where such property is principally located.

24 (d) After a review of the exemption request, and after a preliminary  
25 examination of the facts as alleged, the county appraiser shall recommend  
26 that the exemption request either be granted or denied, and, if necessary,  
27 that a hearing be held. If a denial is recommended, a statement of the  
28 controlling facts and law relied upon shall be included on the form.

29 (e) The county appraiser, after making such written recommendation,  
30 shall file the request for exemption and the recommendations of the county  
31 appraiser with the state board of tax appeals. With regard to a request for  
32 exemption from property tax pursuant to the provisions of K.S.A. 79-201g  
33 and 82a-409, and amendments thereto, not filed with the board of tax  
34 appeals by the county appraiser on or before the effective date of this act,  
35 if the county appraiser recommends the exemption request be granted, the  
36 exemption shall be provided in the amount recommended by the county  
37 appraiser and the county appraiser shall not file the request for exemption  
38 and recommendations of the county appraiser with the state board of tax  
39 appeals. The county clerk or county assessor shall annually make such  
40 adjustment in the taxes levied against the real property as the owner may  
41 be entitled to receive under the provisions of K.S.A. 79-201g, and  
42 amendments thereto, as recommended by the county appraiser, beginning  
43 with the first period, following the date of issue of the certificate of