

Proposed Amendments  
2021 Senate Bill No. 13  
Prepared by: Office of Revisor of Statutes

\$100,000 budget exemption

*As Amended by Senate Committee*

*Session of 2021*

**SENATE BILL No. 13**

By Senators Tyson, Alley, Baumgardner, Erickson, Fagg, Hilderbrand, Kerschen,  
Longbine, Peck, Steffen, Thompson and Warren

1-8

1 AN ACT concerning property taxation; relating to tax levy rates,  
2 establishing notice and public hearing requirements prior to approval  
3 by a governing body to exceed its revenue neutral rate and  
4 discontinuing the city and county tax lid; prohibiting valuation increase  
5 of real property solely as the result of normal repair, replacement or  
6 maintenance; establishment of a payment plan for the payment of  
7 delinquent or nondelinquent taxes; amending K.S.A. 79-1460, 79-1801,  
8 79-2024 and 79-2925c and repealing the existing sections.  
9

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

11 New Section 1. (a) On or before June 15 each year, the county clerk  
12 shall calculate the revenue neutral rate for each taxing subdivision and  
13 include such revenue neutral rate on the notice of the estimated assessed  
14 valuation provided to each taxing subdivision for budget purposes. The  
15 director of accounts and reports shall modify the prescribed budget  
16 information form to show the revenue neutral rate.

17 (b) No tax rate in excess of the revenue neutral rate shall be levied by  
18 the governing body of any taxing subdivision unless a resolution or  
19 ordinance has been approved by the governing body according to the  
20 following procedure:

21 (1) The governing body shall publish notice of its proposed intent to  
22 exceed the revenue neutral rate on the website of the governing body, if the  
23 governing body maintains a website, at least 10 days in advance of the  
24 public hearing. The notice shall include, but not be limited to, its proposed  
25 tax rate, its revenue neutral rate and the date, time and location of the  
26 public hearing.

27 (2) On or before July 15, the governing body shall notify the county  
28 clerk of its proposed intent to exceed the revenue neutral rate and provide  
29 the date, time and location of the public hearing and its proposed tax rate.  
30 The county clerk shall notify each taxpayer with property in the taxing  
31 subdivision, by mail directed to the taxpayer's last known address, of the  
32 proposed intent to exceed the revenue neutral rate at least 10 days in  
33 advance of the public hearing. Alternatively, the county clerk may transmit  
34 the notice to the taxpayer by electronic means at least 10 days in advance  
35 of the public hearing, if such taxpayer and county clerk have consented in

1 testimony within reasonable time limits and without unreasonable  
 2 restriction on the number of individuals allowed to make public comment.  
 3 The public hearing may be conducted in conjunction with the proposed  
 4 budget hearing pursuant to K.S.A. 79-2929, and amendments thereto, if  
 5 the governing body otherwise complies with all requirements of this  
 6 section. Nothing in this section shall be construed to prohibit additional  
 7 public hearings that provide additional opportunities to present testimony  
 8 or public comment prior to the public hearing required by this section.

9 (4) A majority vote of the governing body, by the adoption of a  
 10 resolution or ordinance to approve exceeding the revenue neutral rate,  
 11 shall be required prior to adoption of a proposed budget that will result in a  
 12 tax rate in excess of the revenue neutral rate. Such vote of the governing  
 13 body shall be conducted at the public hearing after the governing body has  
 14 heard from interested taxpayers. If the governing body approves exceeding  
 15 the revenue neutral rate, the governing body shall not adopt a budget that  
 16 results in a tax rate in excess of its proposed tax rate as stated in the notice  
 17 provided pursuant to this section.

18 (c) Any governing body subject to the provisions of this section that  
 19 does not comply with subsection (b) shall refund to taxpayers any property  
 20 taxes over-collected based on the amount of the levy that was in excess of  
 21 the revenue neutral rate. The provisions of this subsection shall not be  
 22 construed as prohibiting any other remedies available under the law.

23 (d) The provisions of this section shall not apply to school districts  
 24 organized and operating under the laws of this state. Notwithstanding the  
 25 foregoing sentence, the county clerk shall provide school district  
 26 information when complying with county clerk responsibilities pursuant to  
 27 this section including, but not limited to, providing the revenue neutral rate  
 28 of the school district on the notice prescribed in subsection (b)(2). Such  
 29 notice shall also include an explanation that the provisions of this section  
 30 do not apply to school districts organized and operating under the laws of  
 31 this state.

32 (e) If the governing body of a taxing subdivision must conduct a  
 33 public hearing to approve exceeding the revenue neutral rate under this  
 34 section, the governing body of the taxing subdivision shall certify, on or  
 35 before September 20, to the proper county clerk the amount of ad valorem  
 36 tax to be levied.

37 (f) As used in this section:

38 (1) "Taxing subdivision" means any political subdivision of the state  
 39 [that levies an ad valorem tax on property]

40 (2) "Revenue neutral rate" means the tax rate for the current tax year  
 41 that would generate the same property tax revenue as levied the previous  
 42 tax year using the current tax year's total assessed valuation. To calculate  
 43 the revenue neutral rate, the county clerk shall divide the property tax

any of the following that levy an ad valorem tax on property:  
 (A) A city;  
 (B) a county; or  
 (C) any other political subdivision of the state, if such other political subdivision receives \$100,000 or more in revenue from property taxes in the current year