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League News

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Headlines (Click on the story title to go directly to that story)

1) Property Tax Lid Takes Effect July 1, 2015
2) Budget Tips Updated
3) Sign Up For an August Policy Committee

1) Property Tax Lid Takes Effect July 1, 2015

On Tuesday, Governor Brownback signed two tax bills – S Sub for HB 2109 and H Sub for SB 270 (known as the trailer bill) – into law. S Sub for HB 2109 contains a property tax lid with an effective date of January 1, 2018. The trailer bill removed that date, however, which means the property tax lid is effective July 1, 2015. The League believes the clear intent of the legislature was to make the property tax lid effective January 1, 2018. We believe the January 1, 2018, date was accidently left out of the trailer bill. We are currently working with the legislature to pass another trailer bill on sine die to change the effective date back to January 1, 2018.

ACTION REQUESTED: Please contact your senator(s) and representative(s) and ask them to attend sine die on June 26 and pass the trailer bill changing the effective date of the property tax lid to the intended date – January 1, 2018. It is critical to reach out to your legislators to ensure a quorum attends and passes the trailer bill.

If the trailer bill does not pass on sine die, cities would be required to hold an election in 2015 if they intend to increase their 2016 budgets above the consumer price index (CPI) for all urban consumers. The election may be held at the next regularly scheduled

election in August or November, by mail ballot, or by a special election. Cities will not have to conduct an election if:

- The amount of ad valorem tax to be levied is greater than the change in the CPI due to:
  - Costs for new infrastructure or improvements to existing infrastructure to support new improvements to property exempt from property taxation (such as schools, hospitals, churches);
  - Bond and interest payments;
  - An increase in property tax subject to taxation as the result of the expiration of any abatement of property from property tax;
  - Increases in road construction costs when such construction has been once approved by a resolution of the governing body of the city;
  - Special assessments;
  - Judgments levied against the city or county or expenses for legal counsel and for defense of legal actions against the city or county or officers of the city;
  - New expenditures that are specifically mandated by federal or state law; or
  - An increase in property subject to taxation as the result of new construction.
- The assessed valuation has declined in one or more of the previous three calendar years and the increase in the amount of funding for the budget or appropriation from revenue produced from property tax does not exceed the average amount of funding from such revenue of the next preceding three calendar years, adjusted to reflect changes in the CPI; or
- The increase in the amount of ad valorem tax to be levied is less than the change in the consumer price index plus the loss of assessed property valuation that has occurred as the result of legislative action, judicial action or a ruling by the board of tax appeals.

The situation is very fluid right now. The League will keep you updated with any news on the effective date of the lid.

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2) Budget Tips Updated

The Budget Tips Bulletin providing information and guidance for the 2016 budget has been completed. Due to the length of the 2015 legislative session, there was a delay in completing this year's Budget Tips. The League has included some information concerning new legislation that may impact city and county budgets for 2016 and will provide more information and analysis in the future. You can find the new Budget Tips Bulletin here.

3) Sign Up For an August Policy Committee

League Policy Committees help establish the policies that guide the organization's legislative efforts. The four committees that meet in August include Finance & Taxation, Utilities & Environment, Public Officers & Employees, and Legislative Policy. If you are interested in joining one or more of the committees sign up here.

For more information, contact Cindy Green , Deputy Director, at (785) 354-9565.

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