Revenue Neutral Rate (RNR) Summary Report Footnotes and Definitions

Background

KSA 79-2988 establishes limitations on property tax levies by taxing subdivisions (municipalities). To authorize a tax rate that exceeds the limitation, taxing subdivisions must first hold a public hearing prior to budget adoption. Taxing subdivisions include "any political subdivision of the state that levies an ad valorem tax on property", including but not limited to counties, cities, townships, school districts, etc.

A taxing subdivision's levy cannot exceed the Revenue Neutral Rate (RNR) without first holding a public hearing, to allow taxpayers to ask questions and provide feedback. This hearing must be held between August 20th and September 20th. At the conclusion of the hearing, the governing body of a taxing subdivision must publicly vote on a resolution to authorize the final tax rate to exceed the RNR. A roll call of the vote to exceed the RNR must be recorded and reported with the taxing subdivision's budget documents. Taxing subdivisions that do not hold a hearing to consider exceeding the RNR cannot authorize a resolution to levy above the RNR.

Summary Report Field Definitions

This report contains the following information for each taxing subdivision (categorized by county):

Taxing Subdivision: The governmental entity (i.e., county/city/township/municipality) which levies the property tax

Revenue Neutral Rate: The RNR is the amount of property tax revenue (also known as ad valorem tax revenue) levied in the prior year divided by the current year assessed valuation estimates, expressed as a mill. County clerks are responsible for computing and providing the RNR to taxing subdivisions with the budget information estimates by June 15th. *Statutory Reference: KSA 79-2988*

Estimated Valuation (June 1, 2022): The estimated valuation is equal to the amount of assessed valuation apportioned to each taxing unit, as certified annually on or before June 1st to the county clerk by the director of property valuation for state assessed property as defined in K.S.A. 79-5a01, and by the county or district appraiser for all other real and personal property located within the county. The county clerk shall include such assessed valuation estimates to be utilized in the preparation of budgets for property (ad valorem) tax purposes. The estimated valuation is used in computing the RNR for each taxing subdivision. *Statutory References: KSA 75a27, KSA 79-1466 and KSA 79-1467*

Estimated Proposed Tax Rate: The estimated proposed tax rate is the tax rate necessary to provide the taxing subdivision the budgeted property tax dollars for the budget year. This tax rate is based on estimated valuations captured in June 2022 for the taxing subdivision and may change after the final valuation amounts have been certified. The estimated proposed tax rate is published: 1) In a newspaper with the taxing subdivision's public hearing notification, 2) On the taxing subdivision's public website with the taxing subdivision's public hearing notification (when required), and 3) On the taxpayer notification mailer sent in July or August of each year.

Final Tax Rate: The final tax rate is the tax rate resulting from the adopted budget of the taxing subdivision to provide the taxing subdivision the budgeted property tax (ad valorem) dollars for the budget year. This tax rate is based on final valuations captured in November for the taxing subdivision. *Statutory Reference: KSA 79-1803*

Final Valuation (November 1, 2022): The final valuation is equal to the amount of assessed valuation apportioned to each taxing unit, as certified by the county clerk to the director of property valuation on or before November 1st. The final tax rate will be applied using the final valuation amount. On or before November 30th, the director of property valuation transmits to the director of accounts and reports and to the state treasurer a statement showing the valuation, levy and amount of tax for state purposes in each county in the state. *Statutory Reference: KSA 79-1806*

Percentage Change from RNR to Final Tax Rate: Computed by identifying the difference from the Final Tax Rate and the RNR divided by the RNR.

Did the taxing subdivision hold hearing to exceed the RNR? (Yes or No): Municipal Services has confirmed the taxing subdivision published a notice of public hearing to consider exceeding the RNR with a scheduled hearing date between August 20th and September 20th. No assurance is provided regarding hearing administration, additional publication requirements, or that the statutorily required procedure to exceed the RNR has been met.

Summary Report Footnotes

Joint County/Supporting County: Taxing subdivisions with authority to levy in more than one county are reported under the 'home' county (generally the county with the majority of subdivision valuation). Each applicable district is denoted with an asterisk (*). The 'home' county will report the total valuations for the taxing subdivision (to include all supporting counties).

Townships with Third Class Cities: Townships with authority to apply a property tax (ad valorem) levy for certain funds on the boundaries of certain third class cities have been denoted with a double asterisk (**). The impacted townships are reported in two lines: 1) The information for funds that levy within the township boundaries, and 2) The information for funds that levy within the township boundaries and within the third class cities' boundaries.

Additional Information and Documentation

Please see the Municipal Services website to view specific information related to the adopted budget of taxing subdivisions. Budget documents are located under the 'home' county of the taxing subdivision. Each file contains the approved budget certificate, applicable fund pages, applicable schedules for transfers and indebtedness, public hearing notice, resolution to exceed the RNR (if applicable), and a certified roll call vote to exceed the RNR (if applicable).