

Division of Property Valuation
300 SW 29th Street
PO Box 3506
Topeka KS 66601-3506
Mark Burghart, Secretary



Phone: 785-296-2365
Fax: 785-296-2320
www.ksrevenue.gov
Laura Kelly, Governor

To: All County Appraisers, County Clerks, County Commissioners, County Treasurers, and County Registers of Deeds
From: Bob Kent, Deputy Director, Division of Property Valuation
Date: May 23, 2025
RE: 2025 Legislative Summary

The 2025 legislative session made several changes to Kansas property tax law. This summary will highlight those property tax provisions going into effect on and after July 1, 2025.

Property Tax Change Summary

House Bills 2125 and 2231, and Senate Bills 35, and 117 will be the bills addressed in this year's summary. The following is a topical index and who would likely be most impacted by the property tax changes from this year's legislative session. The second section will go into more detail for each topic.

House Bill 2125

1. Statewide 20 Mills School Finance Property Tax Levy Reauthorized – County Clerk
2. State Board of Tax Appeals (BOTA) Filing Fee Prohibition – County Appraiser, BOTA
3. Property Tax Calendar Date Changes – Budget, Levy, and Tax deadlines
 - a. Governing bodies certify budgets to county clerks – County Clerk
 - b. Tax statements sent by county treasurer – County Treasurer
4. Requirement for Taxing Subdivision Failing to File Budget Information – County Clerk
5. Revenue Neutral Rate
 - a. Changes to required notice form for 2025 – County Clerk/Software Vendors
 - b. Printing and postage reimbursement extended through 2026 - County Clerk

House Bill 2231

6. Personal Property Tax Exemption - County Appraiser

Senate Bill 35

7. Discontinuing statewide tax levies for Kansas Building Funds – County Clerk, County Treasurer, and Director of Property Valuation

Senate Bill 117

8. Strother field airport commission, expand property tax exemption – Cowley County only
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Property Tax Change Details

1. Statewide 20 Mills School Finance Property Tax Levy Reauthorized

House Bill 2125 § 1 amends K.S.A. 2024 Supp. 72-5142 to reauthorize the statewide school finance property tax levy at a rate of 20 mills in school years 2025-2026 and 2026-2027.

2. State Board of Tax Appeals (BOTA) Filing Fee Prohibition

House Bill 2125 § 2 amends K.S.A. 74-2438a to prohibit the state board of tax appeals from charging a filing fee to a taxpayer who has an appeal from a previous year still pending before the board for the same parcel.

3. Property Tax Calendar Date Changes

a. House Bill 2125 § 3 amends K.S.A. 2024 Supp. 79-1801 to require all taxing subdivisions to certify the amount of property tax to be levied to the county clerk on or before October 1 of each year.

b. Section 4 amends K.S.A. 2024 Supp. 79-2001 to move the date for the county treasurer to send property tax statements and property tax information forms to property owners to December 1 from the current date of December 15.

4. Requirement for Taxing Subdivision Failing to File Budget Information

House Bill 2125 § 5 amends K.S.A. 2024 Supp. 79-2930 to require the county clerk to use the previous year's budget information and amount of tax levied by any taxing subdivision that fails to provide the current year's budget information by 5:00 p.m. on October 1.

5. Revenue Neutral Rate

a. House Bill 2125 § 6 amending K.S.A. 202 Supp. 79-2988 provides several changes to the current revenue neutral rate hearing notice. Those changes, for ease of identification, will appear in bold italics.

(A) Notices must contain the following heading:

“NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS
[Current year] [County name] County Revenue Neutral Rate Notice
This is not a bill. Do not remit payment.”;

(B) The following statement must also be included:

“This notice contains estimates of the tax on your property and proposed property tax increases. **THE ACTUAL TAX ON YOUR PROPERTY MAY INCREASE OR DECREASE FROM THESE ESTIMATES.** Governing bodies of taxing subdivisions must vote in order to exceed the Revenue Neutral Rate to increase the total property taxes collected. Governing bodies will vote at public hearings at the dates, times and location listed. Taxpayers may attend and comment at the hearings. Property tax statement will be issued after mill rates are finalized and taxes are calculated.”;

(C) the appraised value and assessed value of the taxpayer’s property for the current year and previous year;

(D) the **mill levy and** amount of property tax of each taxing subdivision on the taxpayer’s property from the previous year’s tax statement in a column titled: “[Previous year] Tax”;

(E) the **revenue neutral rate in mills and** estimated amount of property tax for the current year of each taxing subdivision on the taxpayer’s property based on the revenue neutral rate of each taxing subdivision in a column titled: “[Current year] Tax at Revenue Neutral Rate”;

(F) the estimated amount of property tax for the current year of each taxing subdivision on the taxpayer’s property based on either: (i) The revenue neutral rate for a taxing subdivision that does not intend to exceed its revenue neutral rate; or (ii) The proposed tax rate provided by the taxing subdivision, if the subdivision has notified the county clerk of its proposed intent to exceed its revenue neutral rate, **and such mill levy used in the calculation**, in a column titled: “[Current year] **Proposed** Tax”;

(G) the difference between the amount of the current year’s **proposed** tax and the previous year’s tax, reflected in dollars and a percent, for each taxing subdivision in a column titled: “[Current year] **Proposed** Tax Exceeding [Previous year] Tax”; and

(H) the date, time, and location of the public hearing for each subdivision that notified the county clerk of its proposed intent to exceed its revenue neutral rate in a column titled: “Date, Time and Location of Public Hearing”.

The columns described in subparagraphs (D) through (G) shall include a total of the amounts at the end of each column. For each taxing subdivision, the notice shall include the total amount of revenue from the property tax levy for the previous year, the proposed total amount of revenue from the property tax levy for the current year and the difference or change between such amounts, reflected in dollars and a percentage.

b. House Bill 2125 § 7 amending K.S.A. 2024 Supp. 79-2989 extends through calendar year 2026, the state reimbursement of printing and postage costs incurred when county clerks are required to mail notices of proposed tax increases beyond the revenue neutral rate.

6. Personal Property Tax Exemption (House Bill 2231 §§ 2, 3, and 12)

House Bill 2231 § 2 will exempt specific items of personal property in the “all other tangible personal property not otherwise specifically classified” subclass of class 2, section 1, article 11 of the Kansas constitution. The following personal property items will be exempt from property taxation beginning in tax year 2026 and after:

- a. any off-road vehicle that is not operated upon any highway*, including all-terrain vehicles, recreational off-highway vehicles, golf carts, off-road motorcycles, and snowmobiles;
- b. any motorized bicycle, electric-assisted bicycle, electric-assisted scooter, electric personal assistive mobility device, and motorized wheelchair as such items are defined in K.S.A. 8-126;
- c. any trailer having a gross weight of 15,000 pounds or less that is used exclusively for personal use and not to produce income;
- d. any marine equipment, including watercraft trailers designed to launch, retrieve, transport, and store watercraft, and watercraft motors designed to operate watercraft on the water; and
- e. any watercraft. (House Bill 2231 § 12 amending K.S.A. 79-5501)

House Bill 2231 § 3 will amend K.S.A. 79-213 to include all property exempt above to the list of property that does not need to apply to the BOTA for exemption.

****The “off-road” vehicles referenced above pertain to subclass 6 and will qualify for exemption even if locally permitted for street use.***

7. Discontinuing Statewide Tax Levies for Kansas Building Funds (1.5 Mills)

Senate Bill 35 §§ 1 and 3 amends K.S.A. 76-6b02 and 6b04 respectively, to provide for a statewide property tax of 1 mill for the Kansas educational building fund and .5 mill for the Kansas institutional building fund for tax year **2025**. The county treasurer will make the 2025 distribution for these two funds to the state treasurer under current law.

For tax year **2026** and after, there is **no** authorization for the statewide property tax levies for a total of the 1.5 mills for the two state building funds, and the county clerk will make the necessary adjustments to accommodate this change in the county’s levies.

For 2026 demand transfers from the state general fund on July 1, of \$56 million and \$25 million will fund the state educational and state institutional building funds, respectively.

- State educational building fund, § 2 - For 2027 and after, an adjustment to the previous year’s transfer is made by adding the percent increase of the previous 10-year average of the states total taxable valuation. The Director of Property Valuation, in consultation with the Director of Legislative Research and the Director of the Budget shall determine the percentage increase but not less than zero.

- State institutional building fund, § 4 – For 2027 and after, an additional 2 percent of \$25 million will be added to the previous year's transfer.

8. Strother Field airport commission, expanding property tax exemption (SB 117, Amending K.S.A. 79-201r)

Current law provides for a property tax exemption for all property owned by the Strother Field airport commission. Senate Bill 117 will expand this exemption to include not only the property owned by the Strother Field airport commission but also, property owned by the political subdivisions comprising the Strother Field airport commission.