

REVENUE NEUTRAL RATE



Process and Requirements

K.S.A. 79-2988

The Revenue Neutral Form on the budget document has been revised for Fiscal Year 2026. As a reminder the focus is on taxes levied rather than just mill rate when considering the Revenue Neutral status of the district. The State of Kansas will cover mailing expenses for RNR forms for the 2026-2027 school year. Remember, with normal increases in local assessed valuation the mill levy goes down to raise the same amount of dollars.

Revenue Neutral Rate – Summary of Timelines	
Timeline	Action
June 15	The County Clerk notifies district of Revenue Neutral Rate.
July 20	District notifies County Clerk of the estimated property tax to be levied and the estimated mill rate for new year, if exceeding the property tax levied in the previous year the district is not Revenue Neutral. The estimated property tax to be levied in the notification becomes the maximum for the district.
After July 20	The County Clerk notifies individual taxpayers of new tax levy.
Minimum of 10 days between publication and hearing	District publishes notice to exceed Revenue Neutral amount concurrent with Budget publication in paper and posts the RNR form on the USD website as well.
Aug 20 – Sept 20	District holds hearing to exceed Revenue Neutral Rate, may be same night as the budget hearing. Resolution to exceed the RNR must be passed the day of the RNR hearing.
September 20 on or before	All districts submit budget to Kansas State Department of Education regardless of RNR status.
On or before October 1	All districts certify levy and budget documents, including the RNR resolution, to the county clerk.

Notes:

- *All USDs will use the same budget timelines listed above, regardless of RNR status. The district's budget and accompanying information will be submitted to KSDE by September 20th and to the county clerk by October 1.*
- *USDs are encouraged to set their RNR hearing for the last week of August or the first week of September to allow for publication or notification errors and still meet the September 20th deadline.*
- *The board of education should be informed of the mill rates reported to the county clerk by July 20, however board approval is not required until the Resolution to Exceed the Revenue Neutral is adopted on the first date of the public hearing(s).*

- *The taxing subdivision should contact the county clerk to determine if valuations change from the June 15th property valuation estimates to the November 1st property valuation certification. If property valuations change, it is important to understand what steps the county clerk will take as this could impact the district staying revenue neutral or receiving less property tax than expected.*
- *Based on the State Department of Administration, Office of Accounts and Reports, recreation commissions will be computed separately and will not be included in the school district's Revenue Neutral Rate process.*

K.S.A. 79-2988 Requirements

1. **County Clerk will provide** the RNR information to the district on or before **June 15** of each year and include said rate and estimated tax levy on the notice of the estimated assessed valuation provided to each taxing subdivision for budget purposes.
2. No levy of taxes in excess of the revenue neutral rate shall be levied by the governing body of any taxing subdivision unless a resolution has been approved by the governing body according to the following procedures:
3. On or before **July 20**, the **governing body shall notify the county clerk** of its proposed intent to exceed the revenue neutral rate and provide the date, time and location of the public RNR hearing and its proposed taxes to be levied.
4. At least **10 days in advance of the public RNR hearing**, the governing body shall publish notice of its proposed intent to exceed the revenue neutral rate by publishing notice:
 - (A) On the **website** of the governing body, if the governing body maintains a website; and
 - (B) in a weekly or daily **newspaper** of the county having a general circulation therein. The notice shall include, but not be limited to, its proposed taxes to be levied and the date, time and location of the public hearing.
5. The **public RNR hearing** to consider exceeding the revenue neutral rate shall be held not sooner than **August 20 and not later than September 20**. The governing body shall provide interested taxpayers desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment. The public RNR hearing **may occur on the same night** as the budget hearing, but the hearings **must be held separately** pursuant to K.S.A. 79-2929, and amendments thereto,. If the hearings occur on the same night, the **RNR hearing must occur first**. If the governing body otherwise complies with all requirements of this statute. Nothing in this section shall be construed to prohibit additional public hearings that provide additional opportunities to present testimony or public comment prior to the public hearing required by this section.
6. A **majority vote** of the governing body, by the adoption of a resolution to approve exceeding the revenue neutral rate, shall be required prior to adoption of a proposed budget that will result in a tax levy in excess of the revenue neutral rate. Such vote of the governing body shall be **conducted at the public RNR hearing and on the same day as the commencement of the public hearing** after the governing body has heard from interested taxpayers and **shall be a roll call vote**.
7. If the governing body approves exceeding the revenue neutral rate, the governing body shall not adopt a budget that results in a tax rate in excess of its proposed tax levy as stated in the notice provided.
8. A **copy of the resolution** or ordinance to approve exceeding the revenue neutral rate and a certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body related to exceeding the revenue neutral rate, **whether approved or not, shall be included** with the adopted budget, budget certificate and other budget forms filed with the county clerk and the director of accounts and reports and shall be published on the website of the department of administration.

9. Any governing body subject to the provisions of this section that **does not comply** with subsection (b) shall **refund** to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.
10. Any taxpayer of the taxing subdivision that is the subject of the complaint or such taxpayer's duly authorized representative **may file a complaint** with the state board of tax appeals by filing a written complaint, on a form prescribed by the board, that contains the facts that the complaining party believes show that a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and that a reduction or refund of taxes is appropriate. The complaining party shall provide a copy of such complaint to the governing body of the taxing subdivision making the levy that is the subject of the complaint. Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee shall be charged by the executive director of the state board of tax appeals for a complaint filed pursuant to this paragraph.
11. The governing body of the taxing subdivision making the levy that is the subject of the complaint shall be a party to the proceeding. Notice of any summary proceeding or hearing shall be served upon such governing body, the county clerk, the director of accounts and reports and the complaining party. It shall be the duty of the governing body to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity of such levy. **If upon a summary proceeding or hearing, it shall be made to appear to the satisfaction of the board that the governing body of the taxing subdivision did not comply with statute subsection (b), the state board of tax appeals shall order such governing body to refund to taxpayers the amount of property taxes over collected or reduce the taxes levied, if uncollected.** The provisions of this subsection paragraph shall not be construed as prohibiting any other remedies available under the law.
12. On and after January 1, 2022, in the event that the 20 mills levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year and such amount of **increase in revenue generated from the 20 mills is the only reason the school district would exceed the total property tax revenue from the prior year, the school district shall be deemed to not have exceeded the revenue neutral rate** in levying a tax rate in excess of the revenue neutral rate to take into account the increase in revenue from only the 20 mills.
13. If the governing body of a taxing subdivision must conduct a public hearing to approve exceeding the revenue neutral rate under this section, the governing body of the taxing subdivision **shall certify, on or before October 1,** to the proper county clerk the amount of ad valorem tax to be levied.
14. If a governing body of a taxing subdivision **did not comply** with the RNR provisions and certifies to the county clerk an amount of ad valorem tax to be levied that would result in a tax rate in excess of its revenue neutral rate, the county clerk shall **reduce the ad valorem tax** to be levied to the amount resulting from such taxing subdivision's revenue neutral rate.
15. After the first two years, in the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to section 7, and amendments thereto, such county clerk may seek reimbursement from all taxing subdivisions required to send the notice. **Such costs are covered for FY26 and should be of no costs to the district.**

Suggested procedures for determining tax levies for the Revenue Neutral Tax Rate.

Levies are determined for each Tax Levy fund needed for the school year. However, the total property tax collected determines Revenue Neutral. If a fund has a different valuation (General Fund, Capital Outlay, and Bond & Interest II) the revenue neutral rate may need to be calculated separately.

General	No Fund Warrant
Capital Outlay	Special Assessment
Bond and Interest #1	Temporary Note
Bond and Interest #2 (If necessary)	Historical Museum
Supplemental General (LOB)	Public Library Board
Adult Education	Public Library Board- Employee Benefits
Special Liability Expense	Extraordinary Growth Facilities
	Cost of Living

Process to determine taxes needed.

1. Most school districts will levy taxes for General, Supplemental General (LOB) and Capital Outlay.
2. The county clerk will provide the estimated assessed valuation and the Revenue Neutral Rate by June 15 for General fund, Capital Outlay (if different assessed valuation), Bond & Interest (if different assessed valuation) and another assessed valuation and the Revenue Neutral Rate for all other funds.
3. For General fund, multiply 20 mills times the General fund assessed valuation provided by the county clerk.
4. For Capital outlay, multiply the Capital outlay assessed valuation (if provided) times the mill rate the district plans to use.
5. For the bond and interest levy, determine the taxes needed using code 62 in the budget software to determine the amount necessary to meet the bond and interest payments.
6. The other tax levies can be determined based on completing those funds in the budget software.
7. The tax levies needed for the Historical Museum and Public Library will need to be determined on the budget software.
8. As noted, the Recreation Commission levies are **not** part of the school districts calculation for the Revenue Neutral Tax Rate and they are responsible to provide their tax levy amounts to the county clerk.

IMPORTANT: The District's Planned Taxes to be Levied must be certified to the county clerk on or before July 20.

- If a district fails to meet that deadline, the district will have the same taxes from the previous year, or they could be lower if the assessed valuation decreases from the previous year.
- If a district certifies a higher amount of taxes needed to the county clerk, the amount can be lowered prior to publishing the budget or it can be reduced by the board of education after having their public hearing.

USDs can publish the Code 99 & RNR info on the same page but hold separate hearings for the RNR and Budget on the same night. The board holds the RNR hearing first and adopts the RNR Resolution during the hearing. Then the board adopts the budget during the regular board meeting along with the LOB percentage resolution.

- If the district does not submit budget information by 5:00 p.m. on October 1, the bill requires the county clerk to use the previous year's budget information and amount of property tax to be levied.

RNR Form

You will notice three columns. The red and orange columns will be completed by the budget software, except for the Actual Tax Levied for the General Fund in the first column which you can edit depending on information from your county. The blue highlighted column will be filled in by the district and completed with the RNR information that you received from the county on June 15th. The salmon colored KSDE Computed RNR Tax columns are for cross-checking with county numbers.

Exceeding Revenue Neutral for the 2026-2027 School Year							Info Only	Info Only
The governing body of Unified School District 372 will meet on the 14th day of September 2026 at 6:30 PM at 250 Washington, Eagle Lake, KS 61776 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, is available at District Office and will be available at this hearing.							These columns are providing a comparison of your county provided RNR values to the KSDE computed RNR values. (Col 3 <=> Col 7) (Col 4 <=> Col 8).	
Revenue Neutral							KSDE Computed Revenue Neutral Taxes (7)	KSDE Computed Revenue Neutral Tax Rate (8)
	2025-2026		2026-2027					
	Actual Taxes Levied (1)	Actual Tax Rate (2)	Revenue Neutral Taxes (3)	Revenue Neutral Tax Rate (4)	Proposed Taxes to be Levied (5)	Proposed Tax Rate (6)		
General	\$818,899	20.000	\$819,975	19.635	\$835,207	20.000	\$818,830	19.609
ALL OTHER FUNDS								
Supplemental General (LOB)	\$850,819	16.445	\$851,682	16.137	\$861,929	16.331	\$850,909	16.121
Adult Education	\$0	0.000			\$0	0.000	\$0	0.000
Capital Outlay	\$362,725	7.002	\$362,980	6.878	\$422,221	8.000	\$362,302	6.873
Cost of Living	\$0	0.000			\$0	0.000	\$0	0.000
Special Liability Expense Fund	\$0	0.000			\$0	0.000	\$0	0.000
Extraordinary Growth Facilities	\$0	0.000			\$0	0.000	\$0	0.000
Bond and Interest #1	\$770,958	14.895	\$771,544	14.619	\$786,851	14.909	\$770,708	14.608
Bond and Interest #2	\$0	0.000			\$0	0.000	\$0	0.000
No-Fund Warrant	\$0	0.000			\$0	0.000	\$0	0.000
Special Assessment	\$0	0.000			\$0	0.000	\$0	0.000
Temporary Note	\$0	0.000			\$0	0.000	\$0	0.000
Historical Museum	\$0	0.000			\$0	0.000	\$0	0.000
Public Library Board/District	\$0	0.000			\$0	0.000	\$0	0.000
Public Library Board Employee Benefits	\$0	0.000			\$0	0.000	\$0	0.000
Revenue Neutral Calculation								
Total Taxes Levied Including General Fund	\$2,803,401	58.342	\$2,806,181	57.269	\$2,906,208	59.240		
Total Taxes Levied Excluding General Fund	\$1,984,502	38.342	\$1,986,206	37.634	\$2,071,001	39.240		

To determine if you are exceeding Revenue Neutral, compare the Proposed Taxes to be Levied column to the Revenue Neutral Taxes column (orange boxes in lower portion of snippet).

If the Proposed Taxes to be Levied in column 5 is higher than the Revenue Neutral Taxes in column 3, then you are exceeding Revenue Neutral and are required to certify to the County Clerk on or before July 20, 2026.

For more information, contact:

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