

March 6, 2017

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 167 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 167 is respectfully submitted to your committee.

Under current law, if a city or county passes a budget that requires additional property taxes compared to the previous year, with certain exceptions, then the budget must be approved by voters beginning on January 1, 2017. SB 167 would eliminate this requirement. The budget approval process and notification requirements of cities and counties would now be the same as other taxing districts.

The deadline for county or district appraisers to transmit the taxable real property tax appraisals and exempt real property to the county clerk would be extended from June 1st to June 15th of each year. The bill would extend the date for the Director of Property Valuation to certify to the county clerk the amount of assessed valuation of public utility property apportioned to each taxing unit from June 15th to July 1st of each year. The date that the county clerk is required to notify the appropriate officials of each taxing district of the assessed valuation estimates to be utilized in the preparation of budgets for property tax purposes would be extended from June 15th until July 1st.

The Department of Revenue indicates SB 167 would have no fiscal effect on state revenues. The Kansas Association of Counties and the League of Kansas Municipalities indicate the bill has the potential to decrease costs for local governments, including the costs associated with evaluating and determining that any budget increases meet any of the current approved exceptions, or with conducting a special election if the local government budget requires additional property taxes compared to the previous year. Additionally, the bill would eliminate

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the requirement that the city or county budget stay within the increase of the annual Consumer Price Index and; therefore, increases the available property tax revenue for cities and counties. However, the Association and the League are unable to calculate the precise estimate of the fiscal effect on local governments from the enactment of SB 167.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Melissa Wangemann, Association of Counties
Jody Allen, Tax Appeals
Brock Ingmire, League of Municipalities
Dale Dennis, Education