

January 27, 2020

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 273 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 273 is respectfully submitted to your committee.

SB 273 would allow taxpayers, or anyone representing the taxpayer, to attend any Board of Tax Appeals proceeding by audio or video electronic communication.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$132,446	\$132,446
FTE Pos.	--	--	--	1.00

The Board of Tax Appeals estimates enactment of the bill would require \$132,446 from the State General Fund and 1.00 new FTE position in FY 2021. Of the total amount, \$56,446 would be for video equipment, \$6,000 would be for monthly charges for software applications, and \$70,000 would be for the salaries and wages and overhead expenses of the new position to set up the system, record video of the hearings, and maintain video records. The Board estimates that ongoing expenses for salary and wages for the 1.00 FTE position and overhead expenses would total \$72,000 from the State General Fund in FY 2022. The Board notes that it currently allows audio hearings for its Small Claims Division. However, the Small Claims Division is considered an informal process and the Board is not required to keep an official record. In contrast,

proceedings for Regular Division hearings are formal processes and conducted like district court proceedings. This requires the Board to keep official record of all testimony and evidence presented during the hearing. To implement the bill, it would be necessary for the Board to make sure the audio and video record of hearings is clear, clean, and complete. Any fiscal effect associated with SB 273 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Jody Allen, Tax Appeals