

March 3, 2021

The Honorable Adam Smith, Chairperson
House Committee on Taxation
Statehouse, Room 185A-N
Topeka, Kansas 66612

Dear Representative Smith:

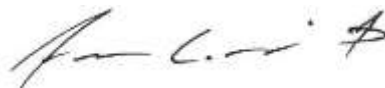
SUBJECT: Fiscal Note for HB 2423 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2423 is respectfully submitted to your committee.

Under current law, all taxable tangible property of a school district is taxed at a rate of 20 mills and is used partially to fund State Foundation Aid payments in the school finance formula to school districts. In addition, the first \$20,000 of residential property is exempt from this tax. The 20-mill levy is currently authorized for the 2019-2020 and 2020-2021 school years and the \$20,000 exemption is currently authorized for tax years 2019 and 2020. HB 2423 would extend the authorization for the 20-mill property tax through the 2022-2023 school year and the \$20,000 exemption through tax year 2022.

The fiscal effect associated with HB 2423 has been reflected in *The FY 2022 Governor's Budget Report*. Revenues from the 20-mill property tax, including the \$20,000 exemption, that would assist financing State Foundation Aid payments in the school finance formula are estimated to be \$752.4 million in FY 2022 and \$770.6 million in FY 2023.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Education
Lynn Robinson, Department of Revenue