

February 15, 2022

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 548-S
Topeka, Kansas 66612

Dear Senator Tyson:

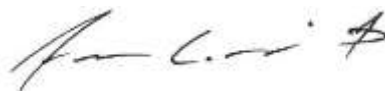
SUBJECT: Fiscal Note for SB 433 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 433 is respectfully submitted to your committee.

SB 433 would provide a property exemption for any antique utility trailer that is used exclusively for personal use and not for the production of income. The term “antique utility trailer” includes only those trailers that are 30 years or older and having an empty weight of 2,000 pounds or less and a gross weight of not more than 8,000 pounds. The property tax exemption would be effective beginning in tax year 2023.

Passage of SB 433 has the potential to decrease property tax revenues by adding a new property tax exemption for antique utility trailers. The state would receive less property tax revenues to the two state building funds, the Educational Building Fund and the State Institutions Building Fund. The bill would also decrease revenues to any local government that levies a property tax. The Department of Revenue indicates that property purchased for less than \$750 is already exempt in this category, so the reduction of state and local property tax revenue is estimated to be negligible. The League of Kansas Municipalities and the Kansas Association of Counties indicate that the bill has the potential to reduce the amount of local property tax revenues; however, the amount of lower local property tax revenue is estimated to be negligible. Any fiscal effect associated with SB 433 is not reflected in *The FY 2023 Governor’s Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue
Brendan Yorkey, Department of Transportation
Wendi Stark, League of Municipalities