

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 468

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 468, as amended, would require any city or county that grants, approves, or otherwise authorizes any property tax exemption related to economic development or industrial revenue bonds in the prior calendar year to generate the same amount of property tax revenue as levied in the previous tax year under the revenue neutral rate law.

The bill would define “otherwise authorizing a property tax exemption” as including, but not being limited to, adopting any resolution or letter of intent, inducement resolution, motion, or other document to grant, approve, or authorize a property tax exemption or the issuance of industrial revenue bonds.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Representative Tarwater, a representative of the Americans for Prosperity, and a private citizen. The proponents generally stated the bill would help reduce property taxes for Kansas residential property owners.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Written-only proponent testimony was provided by a representative of the Kansas Policy Institute.

Opponent testimony was provided by representatives of the cities of Basehor, Olathe, and Topeka, the Greater Topeka Chamber for METL (Manhattan, Emporia, Topeka, Lawrence), and the League of Kansas Municipalities. The opponents generally stated the bill would not allow the taxing districts to attract commercial growth.

Written-only opponent testimony was provided by representatives of 27 cities in Kansas, Chamber of Lawrence, Dodge City Community College, Finney County Economic Development Corporation, Harvey County Economic Development, Kansas County Clerks and Election Officials, Kansas Economic Development Alliance, Little Government Relations, Manhattan Area Chamber of Commerce, Mitten Inc., Newton Area Chamber of Commerce, Scott County Development Committee, South Haven Fire Department, Sumner County, Sumner County Board of Commissioners, TriCentury Bank, Weigand Realtors, and Wyandotte Unified Government.

No other testimony was provided.

The Senate Committee amended the bill to remove tax increment financing from the city or county levies that would require the city or county to not exceed the revenue neutral rate in the following calendar year.

Fiscal Information

According to the fiscal note prepared by the Division of Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would have no fiscal effect on state property tax collections or operations.

The League of Kansas Municipalities and Kansas Association of Counties indicate the fiscal effect on local governments is unknown.

Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Property tax; Revenue neutral; revenue bonds; tax exemption