

January 28, 2020

REVISED

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

Dear Senator Tyson:

SUBJECT: Revised Fiscal Note for SB 263 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 263 is respectfully submitted to your committee.

SB 263 would require that the property tax statement of the classification and appraised valuation from the county appraiser contain additional information. The statement would be required to contain the mill levy and total property tax for the next preceding taxable year; an estimate of the current year property tax based on the current year assessed value and the mill levy for the next preceding taxable year; and an explanatory statement that the current year property tax estimate is calculated based on the mill levy for the next preceding taxable year, as the final mill levy rate for the current year has not yet been computed, and that the actual tax on the property may vary from the estimate.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$80,000	\$80,000
FTE Pos.	--	--	--	--

The Department of Revenue and Board of Tax Appeals indicate SB 263 would have no fiscal effect on state revenues. The Department of Revenue indicates that the bill would require approximately \$80,000 from the State General Fund in FY 2021 to implement the bill and to modify the mass appraisal system used by all counties. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the

combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Since the original fiscal note was issued, the Department of Revenue included an estimate of its administrative costs needed to implement the bill. Any fiscal effect associated with SB 263 is not reflected in *The FY 2021 Governor's Budget Report*.

The Kansas Association of Counties indicates that the bill has the potential to increase costs for counties by requiring additional information to be included on the annual property tax statement. This could also result in additional staff time devoted to respond to questions from taxpayers to clarify that the estimate included on the property tax statement is not the tax bill for the next tax year. However, the Kansas Association of Counties did not provide a precise estimate of any increased costs.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is fluid and cursive, with the first name "L." and last name "Campbell" clearly legible.

Larry L. Campbell
Director of the Budget

cc: Jody Allen, Tax Appeals
Lynn Robinson, Department of Revenue
Jay Hall, Association of Counties