

January 14, 2021

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

Dear Representative Smith:

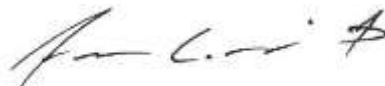
SUBJECT: Fiscal Note for HB 2003 by Representative Kelly

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2003 is respectfully submitted to your committee.

Under current law, county treasurers are allowed to accept partial payments for delinquent property taxes. HB 2003 would allow the county treasurer to accept partial payments or set up a payment plan for delinquent and nondelinquent taxes.

The Department of Revenue indicates that HB 2003 would have no fiscal effect on the amount of property taxes collected, but it could affect the timing of when property tax revenues would be distributed. The bill would allow individuals to pay property taxes in smaller increments, which could have the potential to increase the amount of property taxes collected. The amount of increased property taxes could be offset by lower interest earnings from additional payments being made by the date the property taxes are due. The Kansas Association of Counties indicates counties may incur additional expenditures if new procedures would need to be developed to accommodate the new payment schedule. The Association does not know how many counties would opt in to allow payment plans of nondelinquent property taxes, therefore a precise estimate of the fiscal effect associated with the bill cannot be made.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jody Allen, Tax Appeals
Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue
Wendi Stark, League of Municipalities
Craig Neuenswander, Education