

February 6, 2023

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2137 by House Committee on Taxation

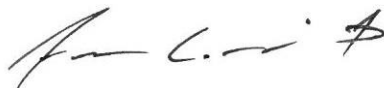
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2137 is respectfully submitted to your committee.

HB 2137 allows taxing subdivisions to send notices required to exceed the revenue neutral rate if the county clerk fails to send the notice by September 1st. The county clerk would be required to provide the taxpayer information required for the notice to each taxing subdivision that intends to send the notice. The taxing subdivision would be reimbursed by the county clerk for the costs of printing and postage for sending the notice, and any costs and attorney fees required to obtain from the county clerk any taxpayer information necessary for the notices. The county clerk would not be able to request reimbursement from the Department of Revenue's Taxpayer Notification Costs Fund for those costs.

The Department of Revenue indicates that HB 2137 has the potential to reduce the State General Fund transfer to the Taxpayer Notification Costs Fund that is used to reimburse printing and postage costs for counties to send out the revenue neutral rate notice. However, it is unknown how frequently a revenue neutral rate notice would be sent out by a taxing subdivision that would not qualify for state reimbursement to quantify any savings to the State General Fund.

The Kansas Association of Counties indicates the bill has the potential to increase costs by unknown amounts for counties. Any fiscal effect associated with HB 2137 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

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