

May 16, 2013

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2413 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2413 is respectfully submitted to your committee.

The 2008 Legislature passed HB 2018, which renamed the Board of Tax Appeals (BOTA) the Court of Tax Appeals (COTA); renamed Board members tax law judges; and transferred all jurisdiction, rights, powers, duties, and functions of BOTA to COTA. HB 2413 would undo these changes. In addition, the bill would change the judges' annual salary from an amount equal to district court judges to the annual salary of an administrative law judge. The chief hearing officer's annual salary would be changed from an amount equal to district court judges to the annual salary of an entry level administrative hearing officer.

The bill would provide that the Board does not have the powers or duties to question who has authority to sign a taxpayer's appeal; to question who may represent the taxpayer in the hearing; to determine whether the taxpayer representative is authorized to practice law; or to question whether a contingent fee is a violation of public policy. Finally, HB 2413 would require the Board to issue a default judgment in favor of the taxpayer if no waiver has been agreed upon by the parties and the order is not issued within 120 days. This bill would take effect after its publication in the statute book.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	--	(\$130,000)	(\$130,000)
FTE Pos.	--	--	--	--

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The Court of Tax Appeals estimates that the provisions of HB 2413 which reduce the judges' and chief hearing officer's annual salaries to an amount equal to the annual salary of an administrative law judge and an entry level administrative hearing officer would reduce its State General Fund expenditures by approximately \$130,000 in FY 2014 and each subsequent year. Any fiscal effect associated with HB 2413 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jody Allen, BOTA