

Shawn Sullivan, Director of the Budget

Sam Brownback, Governor

January 29, 2016

The Honorable Les Donovan, Sr., Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Donovan:

SUBJECT: Fiscal Note for SB 316 by Senator LaTurner

In accordance with KSA 75-3715a, the following fiscal note concerning SB 316 is respectfully submitted to your committee.

Under current law, if a city or county passes a budget that requires additional property taxes compared to the previous year, with certain exceptions, then the budget would be required to be approved by voters beginning on January 1, 2018. SB 316 would move up this requirement to July 1, 2016. The bill would remove certain exceptions that allow local governments to increase the budget without requiring a public vote, including certain costs for new infrastructure or improvements, costs for road construction that have previously been approved by resolution, legal judgments or legal defense costs, or new expenditures that are specifically mandated by federal or state law. The bill would also extend the time for certification of property tax levies to the county clerk, from August 25th to October 1st, for cities or counties that are required to conduct an election before increasing property taxes. The bill would take effect upon its publication in the *Kansas Register*.

The Department of Revenue indicates SB 316 would have no fiscal effect on state revenues. The Kansas Association of Counties and the League of Kansas Municipalities indicate the bill has the potential to increase costs for local governments because of timing requirements for election notices and property tax levies certifications that would require a special election to be conducted if a local government budget requires additional property taxes compared to the previous year. The costs of conducting a mail ballot in a special election are estimated to be \$2.50 to \$3.00 per registered voter. According to the Kansas Association of Counties and the League of Kansas Municipalities, the inability to predict outcomes of a special election could

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affect bond ratings; reduce economic development activity from requiring a public vote for new infrastructure or improvements and certain road construction; and could delay recovery from natural disasters.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Larry Baer, League of Municipalities  
Melissa Wangemann, Association of Counties  
Jack Smith, Department of Revenue  
Dale Dennis, Education