

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 242

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 242, as amended, would expand the authority of county commissions to abate property taxes on certain types of property destroyed or substantially destroyed by natural disasters.

The bill would broaden the authority to include all buildings and agricultural improvements listed as real property for situations wherein such property has been damaged in a gubernatorial-declared disaster and restoration costs would equal or exceed 50 percent of pre-damage market value. Similar authority exists under current law for counties to abate taxes on damaged residential homestead property. The provisions of the bill would be retroactive to tax year 2019.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by Senator Holland.

In the Senate Committee on Assessment and Taxation hearing, Senator Holland and representatives of the Kansas Cooperative Council, Kansas Grain and Feed Association, Kansas Soybean Association, a Leavenworth County Commissioner, and a Leavenworth County resident provided

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

proponent testimony on the bill. The proponents discussed the damage in multiple counties in northeast Kansas resulting from the May 2019 tornado and indicated owners of property that no longer exists had received property tax bills later in the year based on the valuation on January 1.

The original bill would have expanded the authority of county commissions to abate taxes on damaged agricultural improvements. The Senate Committee amended the bill to broaden its application to all damaged buildings and improvements listed as real estate, including public grain warehouses.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, enactment of the bill would have no fiscal effect on the agency operations of the Department of Revenue or the State Board of Tax Appeals. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.