

March 3, 2021

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

Dear Representative Smith:

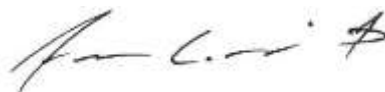
SUBJECT: Fiscal Note for HB 2418 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2418 is respectfully submitted to your committee.

Under current law, property taxes are required to be paid in full on December 20th of each year, or in equal payments on December 20th and on May 10th of the following year. HB 2418 would allow taxpayers who are 65 years of age or older the option to pay property taxes in four equal payments on December 20th, February 10th, April 10th, and May 10th. Interest would be charged to any unpaid portion if the amount due is not paid by the date due.

The Department of Revenue indicates that HB 2418 would have no fiscal effect on the amount of property taxes collected but could affect the timing of when property tax revenues would be distributed. The bill would allow individuals 65 years of age or older the option 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. However, the Kansas Association of Counties does not know how many taxpayers would opt in to pay property taxes in quarterly payments to make a precise estimate of the fiscal effect associated with HB 2418.

Sincerely,



Adam Proffitt
Director of the Budget

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