

SESSION OF 2022

SUPPLEMENTAL NOTE ON SENATE BILL NO. 464

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 464 would eliminate the 1.0 mill Kansas Education Building Fund property tax levy and 0.5 mill State Institutions Building Fund property tax levy beginning in tax year 2023.

The bill would provide for an annual transfer of \$41.8 million from the State General Fund to the Kansas Education Building Fund and an annual transfer of \$20.9 million from the State General Fund to the State Institutions Building Fund beginning in FY 2024. These transfer amounts would increase by 2 percent each year beginning in FY 2025.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

In the Senate Committee hearing on the bill, **proponent** testimony was provided by a representative of the Kansas Policy Institute, stating the bill would provide property tax relief to Kansas taxpayers and increase the budgeting transparency for capital expenditures. Written-only proponent testimony was provided by a representative of the Kansas Farm Bureau.

Opponent testimony was provided by a representative of the Kansas Board of Regents, stating the bill would

*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>

destabilize the funding stream for higher education building maintenance expenditures.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the bill would reduce State General Fund revenues by a total of \$62.7 million beginning in FY 2024. The Department of Revenue estimates the bill would reduce property tax revenues by \$66.3 million in tax year 2023, or FY 2024. Enactment of the bill is estimated to reduce the revenue to the two state building funds by a combined \$3.6 million in FY 2024. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Taxation; property tax; state mill levies; Kansas Educational Building Fund; State Institutions Building Fund; transfers; State General Fund